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# Korean Affairs Report

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30 MAY 1986

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S. KOREA/POLITICS AND GOVERNMENT

PAPER COMMENTS ON KIM YONG-SAM'S STATEMENT

Seoul SEOUL SINMUN in Korean 8 Feb 86 p 2

[Editorial: "Let's Understand Correctly the Meaning of the Present Generation"]

[Text] If we look at the subject matter of the news conference that Kim Yong-sam--one of the so-called two Mr Kims of the opposition--had when he entered the NDP, we can see that his view of the state of affairs and his political point of view do not greatly depart from the commonly viewed general framework of old politicians of bygone days. The manner in which he perceives the present political situation from a completely negative angle that is charged with self-righteousness and egotism, or the fact that he makes only extremely hackneyed declarations--which he insists must be discussed--without presenting any new opinions, is greatly disappointing a people that had looked to him for something new. By means of the non-parliamentary political organization named the so-called CPD, he has long been politically active, but the fact that in his political convictions, which he expressed to the people while returning to a political party that is a genuine political institution, he did not show anything that made one feel the statesmanship and maturity of a political leader of the opposition party leaves something to be desired.

Partisan Point of View Toward Great National Events

First of all, when recollecting the past year, he is too onesidedly and selfishly interpreting the will and choice of the people as expressed in the general election of 12 February. The results of an election must always be evaluated on the basis of the number of seats and percentage of votes garnered. Outside of this, there are no more exact or objective criteria. If one looks at the election results by means of these criteria, then in the general elections of 12 February of last year it is clear that while some of the people desired change, the majority also chose stability. It is a fact that as a result of this, even though the NDP put out more candidates than originally expected, nonetheless the DJP won. The fact that he is ignoring this clear truth and over-interpreting and exaggerating only one portion of it is nothing more than proof that he is losing the sense of balance a responsible politician must have.

Next, he is responding from the dimension of party interests and tactics to the government and ruling party's great goal of "temporarily putting off



political disputes--such as the discussion for constitutional revision--that consume the country's strength so that such great national events such as the 1986 Asian Games, the 1988 peaceful transfer of power, the holding of the Olympics, etc., can be successfully achieved." This is evidence that instead of looking far ahead to the future of our country he still holds to the position that emphasizes the interests of a political faction. Last year he was also criticized for making a statement that seemed to imply that the 1986 Asian Games and the 1988 Olympic games were hostages in his struggle for political power.

It is unfortunate that a man such as Mr Kim, a politician in the opposition party leadership, cannot understand the epochal significance of this national turning point. No matter which side attracted the 1986 Asian Games and 1988 Olympic Games, mobilizing the abilities of the people and carrying these events out are now national courses of action. Comparing these to sporting events in Germany under Nazism or in Italy under fascism casts doubt on his patriotism and good sense.

Furthermore, the manner in which he purposely ignores the historical significance of the first peaceful transition of power in our constitutional history that faces us in 1988 makes us wonder about his human sincerity as a politician.

The petition drive for constitutional revision is antiparliamentary: Kim Yong-sam has clearly stated that he will promote a full-scale petition drive for constitutional revision. Not concentrating all political discussion in the National Assembly but pulling out of it is a clear challenge to the principle of parliamentarianism. During his long political career, Kim Yong-sam has professed to be a thorough believer in parliamentarianism. Such an action as going to the streets to achieve his own goals is a contradiction of this belief. This also runs counter to his intention to hold the so-called Great Debate for Democracy.

Parliamentarianism is a method which carries out all political discussions on the stage of the National Assembly and then receives the people's judgment through elections. If Mr Kim is the true believer in parliamentarianism he says he is, then instead of rashly moving to the streets he would choose the course of receiving the people's judgment through elections. There is a presidential election in 1988, and in 1989 there is the 13th National Assembly election. If we carry out these two elections, then we will reaffirm what the true will of the people is.

#### Development of Democracy Should Not Be Hasty

To settle political issues on the street is the people's revolutionary line. In 1980 it was already shown that the people's revolutionary line is a road for political struggle that under our present circumstances can never be allowed and cannot succeed. We cannot forget the bitter lesson of that time. If, as a result of taking lightly our national reality, we once again fall into the type of situation that occurred in 1980, then instead of a gradual development toward the democracy that all the people ardently want, on the contrary we will not be able to avoid an enormous political retrogression.

At the present, there does not appear to be anybody in this country who is fundamentally opposed to democratic development. At present, the difference of opinion that has emerged is a problem of direction and the rate of progress. This is not an absolute difference of opinion but only a relative difference of opinion.

Under these circumstances, efforts to achieve democratic development must take a form that will expand an awareness of coexistence and national sympathy while bringing about a progressive, step-by-step movement forward. If that is to be the case, it is important that all concerned parties have a balanced perception of our reality. A black-and-white logic wherein one's opponent is absolutely evil like the devil while one's self is absolutely good like a saint is of no help at all. It is very regrettable that Mr Kim emphasizes talks he cannot show us the balanced mien that will act as the foundation for such talks. Our problem cannot be settled by any cure-alls like slogans or sickening political rhetoric.

13222/9274

CSO: 4107/091

S. KOREA/POLITICS AND GOVERNMENT

AUTHORITIES WARN AGAINST STUDENT VIOLENCE IN PETITION DRIVE

Seoul CHUNGANG ILBO in Korean 20 Feb 86 p 6

[Text] The authorities believe that radical students in activist circles, by means of illegal activities, are trying to turn the recent petition drive for constitutional revision by the opposition into a violent struggle.

According to government authorities, based on "an analysis of the printed material which calls for the repeal of the constitution, distributed by the radical students" on the 4th of this month, the organizations led by the radical student groups such as the National Federation of Student Associations met at Seoul National University, decided to organize "the struggle conference for the repeal of the constitution and to set up a headquarters for the promotion of the petition drive for the constitutional revision," and staged a violent demonstration. Then they launched a campaign of political agitation for the repeal of the existing constitution by organizing a constitutional struggle committee in each college and by distributing all sorts of underground literature.

In nationwide raids on college campuses, conducted by the authorities on the 14th, they confiscated more than 30,000 pieces of material such as placards, Molotov cocktails, wood blocks, steel pipes, and sickles, along with printed materials containing the aforementioned demands. The authorities concluded that these items testified even more unequivocally to the violent nature of those students.

According to the government authorities' analysis of the printed materials, the ideological basis and the direction of the actions of the radical students surrounding the question of the constitution have been organized since the National Conference of Delegates of the National Federation of Student Associations was held in October of last year. The students have promoted a revolutionary strategy to establish a democracy of the people by overthrowing the liberal democratic system.

In order to expand and bring their revolutionary main forces together, the radical students have recently started to approach the incoming freshmen in order to indoctrinate them.

The literature, such as the 1986 freshmen class orientation pamphlets (dated 17 February), which contained a message about the petition drive for the repeal of the existing constitution and the organization of the constituent assembly, was distributed by the General Student Association of Seoul National University, and the printed literature (dated 14 February), which said that the struggle was the only way to seek truth, was published by the General Student Association of Tong-a University. These are believed to be designed to recruit forcibly those freshmen who have not yet lost their innocence.

It appears that the petition drive for constitutional revision, which was launched by the radical students last November, is logically contradictory to the constitutional repeal advocated by the organizations under the National Federation of Student Associations.

In terms of legal concepts a constitutional revision and a constitutional repeal are totally different concepts; however, from their standpoint, they are not being contradictory and they merely represent their strategy as one of stages. They are using the constitutional revision petition drive as a means to mobilize a large number of revolutionary main forces to attain the goal of a repeal of the constitution and the establishment of a government of the people.

That is to say, in accordance with the first-stage strategy for a petition drive for a constitutional revision, they plan to create a revolutionary milieu and organize revolutionary main forces through mobilizing the masses. They then plan to execute the second-stage strategy for a constitutional repeal and the establishment of a government of the people by capitalizing on the social unrest created by catastrophic conditions.

To attain such an ultimate goal, they attempt to realize a strategic coalition with the opposition parties.

In the case of the printed literature dated 14 January and published by the General Student Association of Sung Kyun Kwan University, it urged the New Korea Democratic Party (NKDP) "to launch a drive to collect 10 million signatures for a constitutional revision as part of its declared extra-parliamentary struggle in the process of putting its struggle for a constitutional revision into the street," and it went on to stress that "only such a leading example will enable the union of the opposition party movements, centered around the NKDP and the Council for the Promotion of Democracy (CDP), all the other forces of the democratization movement, and the signature drive of all the people for a constitutional revision for the repeal of the constitution."

But to achieve the strategic goal of establishing a government of the people, the radical student groups demand that the opposition parties actively collaborate with them through radical struggles.

Such radical groups on campus have a revolutionary strategy for ultimately establishing a government of the people by having the opposition parties launch an anti-parliamentary and extraparliamentary struggles and by creating social unrest.

In short, the constitutional demand described in various printed materials on college campuses calls for the violent overthrow of the existing government, for the organization of a constituent assembly of the people, and for the enactment of a government of the people's democracy. Needless to say, this government of a people's democracy is a dictatorship of the proletariat which rejects the liberal democratic system.

The Conference of National Delegates of the National Federation of Student Associations, held in October 1985, unequivocally demanded through the "Message on the Meaning of the Signature Drive for the Struggle for the Three Peoples' Constitution" that "the enactment of the Three People's Constitution never be a partial and formalistic revision of the existing constitution, but be based on the formation of a democratic government of the people." It went on to stress that "the enactment of the Three Peoples' Constitution can never be achieved through a compromise with the existing government, it must be won through struggles."

Also, other printed literature referred to the students' constitutional repeal agitation as being the signature collection struggle for constitutional repeal, and thus it frankly describes the concept of the movement as a concept of struggle.

That is to say, it is self-evident that the purpose of the petition drive for constitutional revision, which was demanded by the National Federation of Student Associations, does not lie in the revision of the constitution itself but is merely a tactic of struggle to achieve a revolution.

Furthermore, the National Federation of Student Associations is engaging in agitation not only to bring up the constitutional question but also to ruin the opportunity to enhance our country's international standing by raising a banner of determined opposition to our hosting the Olympic Games (7 February).

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S. KOREA/POLITICS AND GOVERNMENT

DJP, NKDP LEADERS ASSESS CURRENT POLITICAL CLIMATE

No Tae-u Interviewed

Seoul CHOSON ILBO in Korean 5 Mar 86 p 3

[Interview with No Tae-u by Yi Yong-tok; date and place of interview not given; first 4 paragraphs source supplied introduction]

[Text] (Editor's note) The government party and the non-government party have so far failed to settle the critical confrontation which began with the signature campaign for a constitutional amendment. It seemed that they might gain a sort of momentum on the occasion of the 24 February Ch'ongwadae Conference, but no change has been brought about yet. Representative No T'ae-u of the DJP and President Yi Min-u of the NKDP were interviewed separately; the interviews reveal their fundamental stands and ways of settling the current situation.

Since the 24 February conference of representatives of three parties held at Ch'ongwadae, which changed the momentum of the political situation, confrontation on the streets has ceased and the meeting place has been moving to the National Assembly floor at least for the time being.

However, it is not altogether clear what kind of solution the forthcoming extraordinary session of the National Assembly in March would effect. Differences in fundamental views regarding the constitutional amendment issue between the government party and the non-government party are represented by only 1 year in mathematical calculation--between "1989" and "1988." However, the significance of their respective views and the actual distance between them are not likely to lead them anywhere.

How could they shorten this big distance and overcome the crisis in the current political situation? Let us ask this question of No T'ae-u, representative and the spokesman of the government party, and find out the ideas and agonies he has.

[Question] Concerned observers have gone the length of saying that the "constitutional amendment in 1989" card shown by the president at the 24 February conference is a desperate measure taken under the pressure of necessity beyond ordinary improvement efforts in view of the stands taken

so far by the DJP. However, there have been no omens of a solution in the political situation as generally expected.

#### "Worrisome Due to Lack of Responses from the Non-government Party"

[Answer] I feel worried indeed. You cannot have a clapping with just one hand. The non-government party side has not been responding.

As you know, the constitutional amendment in the 1989 proposal represents the president's sincere wish for "sublimating" unnecessary fights between the government party and non-government parties and for dealing with the big 1988 events by concentrating the nation's resources in one point. It originated from a deep intention of implementing the public promise of the 1988 transfer of power, which is an oath sworn before the cause of history, as well as the constitutional amendment. I firmly believe that participants at the 24 February conference, as indicated by the atmosphere, fully agreed with such intentions of the president.

However, later on, they have come to say that there was nothing at the conference to which they should give a thought, etc. Probably this is due to the complicated internal circumstances and conflicts on the non-government party side. But is it not a fact that even the non-government party exists on the basis of the nation? If they correctly understand what the great majority of the people wants, the non-government side would come step by step into the arena of greater politics, I believe."

[Question] However, the non-government party side is crying out louder and louder its assertion that constitutional amendments should be made before 1988 without fail, is it not? It seems that the non-government party side thinks that if it continues to push, the government party circles would give in again. Is there any way of compromising further?

[Answer] The higher politics we have proposed are not an offer originating from the dimension of any political strategy or technology. It has been offered following deep meditations and deliberations made regarding the move and direction in which this country should make in and after 1988. This should never be misunderstood as such a deal made in the dimension of opening offering bags one after another. Please accept it as a sincere attitude. We do not have any more things to offer. If our sincere offers are trampled upon through to the end, what would then come about? We are really worried.

[Question] What you have said is tantamount to a statement that there is a limit even to the patience of government party circles. Don't you think it necessary that we should look for an infallible remedy?

#### "The 1980 Chaos Forgotten"

[Answer] I would like to remind you of the chaos we had around this time in 1980. At that time, everybody looked excited as if they were saying that a new spring of democracy had come to the ROK and that waves of freedom are rising all over. Was it not the fact? However, on the other hand, there were

some people who were launching an agitation by saying that "the tree called democracy lives on the blood of the people." Thus, in the long run, terrible chaos and tragedies occurred. Although martial law was in effect at that time, such disorders and confusion were brought about. That was only 6 years ago. It is peacetime now. If, from now on, student movement circles jump out in the streets with their Sammin constitution and the non-government party side comes out into the streets, what kind of situation would come about? All of us must not forget what happened in 1980. The government and the government party must take a resolute attitude so that such a tragedy will not ever take place again.

[Question] Are you going to prevent the signature campaign on the streets continuously by physical means?

[Answer] When the law is violated, measures must be taken according to the law. However, at the 24 February conference, President Yi Min-u of the NKDP, too, said that "we will not dash out into the streets." We must trust what he said. Judicial authorities will define concretely a lawful signature campaign. We will not deny even the exercise of the people's basic rights and of the right of petition.

[Question] The non-government party side is basically rejecting the 24 February proposals. It seems that the non-government party side is questioning a substantial portion of the content of the proposals.

"The Government Bill, Too, Will Be Constrained By the Party"

[Answer] A constitutional amendment will be finalized eventually by the will of the majority of the people. If a constitutional amendment comes about by the will of the people in 1989, the time of forming a new government in compliance with the new constitution will be laid down by the constitution, and events that follow will take place in line with that formation of the government.

The expression "transitional government" advanced in some quarters must be understood in such a context. Since the 12th National Assembly ends early 1989, the finalization of the new constitution will be made by the 13th National Assembly.

[Question] When the draft of the constitutional amendment made by the special committee on the constitutional amendment of the National Assembly comes into conflict with the draft made by the government's special committee on research, what will happen?

As things stand now, a special committee that shall be established in the government will not necessarily make a formal draft of a constitutional amendment. However, whatever comes out of the research made by the government will eventually be sent to the National Assembly and will be constrained by the DJP, will it not? There is nothing for the non-government party to suspect.



[Question] Is it possible for us to presume that the president of the government newly formed in 1988 could run in the presidential election to be held under the new constitution?

"What is Representative No's Plan for 1988?"

[Answer] As things stand now, I can only say that such a concrete issue will also be laid down in the new constitution. As for my plan, I again want to make it clear that I have never thought about it. The DJP's candidate for the next election will be decided by the will of the members of the party and the people who support the party....

[Question] All such problems will be discussed at a special committee, if it is established in the extraordinary session of the National Assembly to be held in March. But the non-government party side does not agree even with the name of the special committee.

[Answer] Where does the objective will of the people advocating the absolute necessity for constitutional amendment before 1988 exist? As for the issue of the name of the committee, there is no reason that any other name than "the special committee on the constitution" should replace it. Is it not a fact that the content of activities of the special committee is of importance?

[Question] If the government party did accept the non-government party's request, which was made at the regular session of the National Assembly held at the end of last year, for naming the special committee as a "deliberation" special committee instead of a "research" special committee, the situation such as we have today would not have taken place--don't you think so?

[Answer] We must deal with that issue on the basis of the following proposition: that the disruption of negotiations came at the regular session of the National Assembly simply because there were, in the non-government party circle, a number of persons who were taken captive of the notion that if the constitutional question were deliberated in a normal manner at the National Assembly, their objectives would never be attended....

[Question] When a series of physical confrontations came after the "surprise attack" of 12 February signature campaign launched by the non-government party side, there were some voices pointing out the political non-existence of the DJP....

"Could It Be Likened to the Philippines Situation?"

[Answer] I know. At that time, the DJP's plan was that it would launch advanced efforts, including contacts with the non-government party, in line with the NKDP's announcement that it would launch a signature campaign on 20 February. But we came under a surprise attack. However, it was inevitable that the government side put up an obstruction in the signature campaign at the initial stage. Even now, a certain person is saying at the back stage that "a downfall will come in April," etc., so the situation is such that we cannot help worrying about a crisis in the spring of "1980." If there

comes another catastrophe, who is going to be responsible for it? Not the NKDP, not the people, nor the press either. Who is going to compensate for the tragedy? This is why the 24 February conference was brought about, too.

[Question] Why is it that the dialogue with the non-government party side has been failing? Do you, as a representative of the DJP, think that you have had any sort of success in the dialogue with the NKDP during the past 1 year of your office?

[Answer] If I simply say that there was nothing I have achieved in the dialogue, my *raison d'être* would simply become nil.... Anyway, I felt deeply that there was an enormous difference in views between the government party and the non-government party. There were too many sects within the non-government party, so I could not deal with a unified non-government party. They don't have any national self-respect: they are even likening our situation with that of the Philippines.... However, may I say that it is a comfort to have found that not all of the non-government party personages are doing that?

[Question] How do you evaluate President Yi Min-u?

[Answer] While carrying on a dialogue with him, I have heard his nice voice as well as his ugly voice. He is faced with hardships despite his great age.

[Question] In connection with the so-called "substantialization" of the dialogue window, don't you have any intention of having a dialogue with advisor Kim Yong-sam?

"If We Can Keep It Over the Spring, It Will Be All Right"

[Answer] If it is necessary, I must have it. At present, however, the NKDP's president is Yi. As for the issue of pardoning and reinstating the rights of Mr Kim Tae-chung, the government has clearly stated its stand on many occasions, so I will not repeat it here. The non-government party has many of those who have practiced politics for a long time and who have a wholesome common sense. I would like to ask, at this juncture, to the non-government party the following question seriously: are you going to practice politics or launch a revolution? If it wants to keep the political situation of this spring, which is full of weaknesses all over, including campus issues, without incidents over the spring, the non-government party must keep itself a little cooler-headed.

[Question] Is it not a fact that it is more probable that the political situation will decline toward a "shipwreck"?

[Answer] I don't think it will decline to that. I would like to emphasize here that there is above all the silent majority of judicious people. I firmly believe that if we keep it over the coming spring, there will come such a political situation in which the people need not feel uneasy any more under a grand compromise between the government party and the non-government party. I have a faith in the good luck of our nation.

30 May 1986

## Yi Min-u Interviewed

Seoul CHOSEN ILBO in Korean 5 Mar 86 p 3

[Interview with Yi Min-u by Kang Chon-sok; date and place of interview not given; first 4 paragraphs source-supplied introduction]

"Politics Is a Many-sided Dialogue; Hard To Approach Only with Physical Force; Rules Are Necessary Even Between the Government Party and the Non-government Party; 'Illegal Scouting' Causes Difficulty; Difference Between Two Sides Is Not '1-year Time Difference' but a Fundamental Difference"

After launching a signature campaign for the constitutional amendment at a ceremony commemorating the 1-year anniversary of the general election, the NKDP began playing a leading role in the non-government party circles--in some quarters of the circles of non-government parties.

Closing of the party quarters and meetings on the streets--all these bizarre incidents may be taken as the price the NKDP has had to pay on its way to a leading role.

In the office of the president the party building, which has been reinstated at the top externally and which is still retaining internally the scars of that past, President Yi Min-u set forth principles governing the search for a way out of the deadlocked political situation.

[Question] In the face of a troubled political situation which has been caused by the collision between the signature campaign of the non-government party circles and the stiff countermeasures taken by the government party circles--and even in face of rumors of a crisis--the people are depressed with uneasy feelings.

"Excessive Reaction on the Part of the Government Party Is Also a Problem"

[Answer] One thing I want to make clear first is that the signature campaign represents a procedure of confirming the people's desire for constitutional amendment by nonviolent means. If one feels uneasiness and worries about the process of confirming a desire of the people who have the fundamental right of establishing and amending their constitution, there must be something very wrong with the person. If the government and the government party have self-confidence in the people's support of the present constitution, as avowed by them, and if they are in the posture of carrying out democracy, they cannot have any reason that they have to make the people feel uneasy by launching excessive reaction as they are doing today.

[Question] We had great expectations that the 24 February Ch'ongwadae ... conference, which was held in such a tense atmosphere, would become an opportunity for settling the situation. What are the basic reasons that our expectation was not met after all?

[Answer] NKDP's basic stand is as follows: that President Chon Tu-hwan must amend the present constitution before his term of office expires; that he must transfer power to the president elected in compliance with the new constitution as soon as his term of office ends; and that to do so is a truly peaceful transfer of power. The proposed constitutional amendment in 1989 is not a matter that can be dealt with in the power of the incumbent president, because 1989 will be the year in which the incumbent president's term of office expires and he becomes an ordinary citizen.

The signature campaign of the non-government party, too, can be suspended only when the schedule of such democratization is announced and a faithful implementation of it is guaranteed. However, the government party says that all politics must be suspended until 1988 and the constitutional amendment be discussed after that. The government party and the non-government party are far apart in their assertions. The Olympic games of 1988, which is being used as an excuse, too, will be carried out successfully when the schedule of democratization is announced and the entire people are united in one. Furthermore, if the government proposal is to be followed, an election has to be held again in compliance with the current constitution before 1988 in order to establish a factual transitional government. Doing so would cause a waste of national resources, and such a government which lacks centripetal force can hardly manage the great event of 1988 without incidents.

[Question] Among the matters discussed at the Ch'ongwadae conference, is there anything you want to carry on further concretely?

[Answer] The proposal for establishing a special committee on the constitutional amendment, respectively, in the government and in the National Assembly is also a bizarre idea. It is entirely different from our proposal for establishing a special committee in order to complete the amendment of the constitution before the president's term of office expires. It is therefore not necessary to discuss other matters in concrete terms.

[Question] The government party contends that the time difference between the constitutional amendment proposals of the government party and the non-government party is only 1 year. What is the non-government party's view on this matter?

"The 1989 Constitutional Amendment Proposal Is Hardly To Be Trusted"

[Answer] If the government party feels it necessary to amend the constitution, the work of amending the constitution must be achieved during the term of office of the incumbent president so that a record of democratic amendment of the constitution may go down in history. I do not know the reason why it has to be done only in 1989. Where can we find the assurance that the constitutional amendment will be carried out without fail at that time? And what is the government party going to do with the people's desire for a constitutional amendment? Such a difference as this is not a difference of 1 year. It is a gravely important difference.

[Question] The government party is saying that the political schedule set forth at the Ch'ongwadae conference is a final offer and anything less than that cannot be accepted. Some people say that it is probable that the current struggle of the non-government party may bring about a new compromise on the part of the government party, but they are also afraid of another probability that it may bring about a non-political strong reaction of the government party circles and the situation may develop into such a condition that can hardly be controlled.

[Answer] I can guess what you mean. But if the government attempts to suppress by force the non-government party's attempt of peacefully implementing its promise made to the people, even a plan for such a suppression is a ridiculous act and the government must be responsible for that, too.

During my 40 years of political practice, I have seen with my eyes and have experienced by myself the fact that there is a limit to a policy of simply resorting to physical force.

[Question] If the government party and the non-government party stick to their present stands, they cannot but continue colliding against each other, can they?

[Answer] The other party, too, must come up with such a plan as the people might accept. However, the other party has been holding fast to its own assertion no matter what. The government party has come up with an attitude of negotiating with us on the people's desire that was clearly expressed in the recent general election; therefore, the non-government party, too, has launched a signature campaign in order to confirm the desire of the people expressed at that time.

"Students Must Be Cautious"

[Question] Under the circumstances in which the front designed to block the NKDP's constitutional amendment collapsed, is there any probability that the government party comes up with a constitutional amendment proposal of the government party type?

[Answer] Because of the situation in which the National Assembly seats held by the NKDP--there were a total of 102 when it started--were taken away in this way and that way, the one-party convocation line, at which the government party type constitutional amendment has been blocked so far, has in fact collapsed. After all, the present situation is such that such an attempt by the government party cannot be stopped. However, since the desire of the people has been expressed clearly, the government party will not be able to come up that way. The government party should know well that should it come up that way by any chance, what consequences should it take upon itself because of that?

[Question] How is the signature campaign going now and in what direction will it be pushed from now on? It seems that a plan of making the list of signers public has come up also.

[Answer] We are presently collecting the signatures of members of the families of our party members. A full-fledged campaign will be launched soon, as the plan goes, when ceremonies marking the establishment of municipal and provincial campaign headquarters are held--a starting point of the campaign. It will become pretty heated in April and May. Making the signers list public was not planned at the beginning; however, it may be carried out depending on circumstances.

[Question] You said recently that students must be cautious and take care of themselves in that politicians will conduct politics and take responsibility for their politics. What was your real intention in saying that?

[Answer] I said that to mean that students, workers who will be in charge of the country in the next generation, must not make too much sacrifices. I still think that way.

[Question] Nevertheless, we are witnessing, in reality, some student movements as a new school term begins.

[Answer] Even if I said that, everyone thinks in his or her own way. Is it not a fact that everyone may think and act in his or her own way?"

[Question] When the government party and non-government party reach a political agreement, is the NKDP capable of displaying leadership in persuading non-government party circles and students to follow the agreement?

[Answer] As long as the NKDP remains a public political party, it will make efforts to make the people understand the agreement reached between the government party and the non-government party, only when an agreement is reached. However, such efforts will be launched: not in the dimension of leading the people but of asking for their understanding, and not among any special classes but among the people in general.

"Different From Other Advisors"

[Question] Has there been any change in the party since Mr Kim Yong-sam joined the party?

[Answer] It is not the fact that Mr Kim Yong-sam or Mr Kim Tae-chung played the roles of advisors even if they stayed outside the party? Of course, we need not make an appointment with him any more, as in the past, when we want to see him, since he is now within the party.... We have become closer rather than there has been any change. I feel a kind of easiness because he is now near me.

[Question] It seems that although Mr Kim Yong-sam's position is that of advisor, it has been conspicuously witnessed that he is actively taking part in party activities of all kinds.

[Answer] That is why he is not an ordinary advisor but a standing advisor, is it not a fact? He is different from other advisors.

[Question] What role is advisor Kim going to take in the dialogue with the government party?

[Answer] That is an annoying question. I guess that either I can attain results by taking part in negotiations by myself or dialogues on the side can help bring about results. In politics, dialogues can be carried out in many ways, so I guess there will be opportunities at which a person like advisor Kim, who has much experience, can make contributions to the party spontaneously.

[Question] Do you still have the intention of seeking a change of momentum to settle the political situation through talks between heads of the government party and the non-government party?

[Answer] At the Ch'ongwadae conference, too, I proposed to discuss constitutional issues at meetings with ample time. It may be hard to have such meetings at the present time, but I believe that the time will come for us to have such meetings.

[Question] Is there any specific request you want to make of the government party, the partner in the operation of political situation?

[Answer] Between the government party and the non-government party, too, the rules of fair play and mutual respect must be observed without fail. I will not deal with this matter in detail here. It is a shame that illegal scouting--a practice among sports players--is being carried out in public.

[Question] Don't you feel lonely that there is no such senior counterpart, who has as much political experience as you have and who is as old as you are, in the government party?

[Answer] I have often felt a wish that I could have closer talks, talk about old reminiscences, and have open-hearted talks about current problems we have, if my counterpart had had hardships of old disorderly times together with me.

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S. KOREA/POLITICS AND GOVERNMENT

DJP DENOUNCES NKDP'S DEMOCRATIZATION SCHEDULE

Seoul SEOUL SINMUN in Korean 8 Mar 86 p 1

[Unattributed Article: "Exposure of the Opposition's Revolutionary Line for Mass Uprising; DJP criticism of NKDP's Political Agenda Unilaterally fabricated party line; The people to turn away from violent confrontation; Evasion of law to be firmly handled; Public promise of 1989 Constitutional Revision promoted as before"]

[Text] The DJP analyzes "constitutional revision in 1986--elections in 1987" as advocated on 7 March by NKDP Governor Yi Min-u, Standing Advisor Kim Yong-sam, and CPD Chairman Kim Tae-chung, as an overtly revealed plan for an uprising of the people in order to seize power, and intend, with this kind of understanding as a foundation, to deal with it in the future unfolding of government policy.

Spokesman Sim Mong-po of the DJP, in the criticism published that day, pointed out, concerning the contentions of Governor Yi of the NKDP and the two Mr. Kim's, "It can only be seen as the declaration of mass uprising or a revolutionary line," and he charged that, "This is an acknowledgement before the whole world that, thinking nothing of whether or not the nation and the people will be sacrificed, they are merely prisoners of their greed for political power."

Spokesman Sim criticized, "Abandoning parliamentary democracy, and using the will of the people as a false pretext, their intent is to seize power by revolutionary means even if that causes a life or death crisis for the nation as in 1980." And he said, "Using the opportunity of today's conference, the leadership of the NKDP, which considers itself to be the public party, was revealed to be the three men who were 'strange bedfellows brought together only by politics' [OWOL Tongchu Kyok]."

One high-level party official criticized, "The NKDP's advocacy of 'constitutional revision in 1986--elections in 1987' was not arrived at by way of a proper party deliberation; it is the party platform fabricated unilaterally by 'The Three,'" and he analyzed that, "Not only is it certain that their self-righteous leadership line will face rejection within the party, but especially because of the violence connoted in its inducements to



disorder, it is clear that it will suffer rejection by the overwhelming majority of citizens who at long last have found good economic opportunity and who desire stability."

This party official said, "Because their insistence upon constitutional revision in 1986 will not be promoted in a parliamentary manner, we cannot only but see it as illegal agitation that causes confusion to the constitutional revision order," and he reconfirmed that, "The government and ruling party's basic position is that evasions of the law will be handled decisively."

This party official, hearing the key point advocated in the conference statement of NKDP Governor Yi Min-u and others that, "Democracy cannot be achieved without the sacrifice of the people, and in particular it cannot be realized without the sacred sacrificial offering of those who are in the forefront," indicated, "This plainly shows that their real motive behind the constitutional revision that they advocate is actually the incitement of an uprising of the masses, and through this the seizure of power."

This party official said, "They were improperly encouraged by the Philippine situation, and using the opportunity of the beginning of the school year on the college campuses and taking advantage of the social disorder created by the increasing riotousness of student demonstrations, they are showing their ambition to seize power," and hinted that there is a possibility that unspecified campus-related measures may be carried out to stamp out the students' impure political activities.

One party official, in regards to comments made by the NKDP that the direction of the government and the ruling party toward constitutional revision in 1989 is the continuation of the concentration of power, said, "The government and the ruling party, when the time comes, will insist upon a measure that sweeps away possession of misunderstanding of this problem, too."

This party official stated that, "Because President Chon Tu-hwan's '1989 constitutional revision' is a public promise to the people, the government and the ruling party will as ever promote this policy and experience no obstacle in the opposition's objection," and he said that, "It must be understood that the DJP, in its Central Executive Committee on the morning of 8 March, established the party rules for nominating a candidate for the next presidential term, definitely intent upon a peaceful transfer of power, and in the plenary session of the Central Committee held afterward, made the plan for '1989 constitutional revision' the party platform."

Constitutional revision this year, elections next year. Opposition presents unilateral political agenda.

The NKDP's Governor Yi Min-u and Standing Advisor Kim Yong-sam held a press conference at party headquarters on the morning of 7 March and presented the opposition's unilateral political schedule: completion by autumn 1986 of amending the constitution to provide for the direct election of the president; after completing a presidential election in the autumn of 1987 according to

the new constitution, carrying out an unobstructed transfer of power according to the procedures of the constitution; and successfully holding the Olympics in the autumn of 1988 under the new democratic government with national unity.

The press conference statement, in the names of Governor Yi and Advisor Kim and also Co-chairman Kim Tae-chung, presented the so-called "six coping measures for breaking the deadlock of crisis:" constitutional revision for a system of direct presidential election, acceptance of the political schedule of "constitutional revision in 1986--election in 1987, etc.," for constitutional revision for a direct presidential election; full-scale implementation of regional self-government; forming an election supervisory cabinet for fair elections; ceasing obstruction of petitions asking for constitutional revision; and pardon, restoration of civil rights, and release of prisoners.

Election of DJP presidential candidate. Establishment of party regulations stipulated in the Central Committee meeting today.

"1989 constitutional revision" to become part of party platform by resolution.

The DJP, in order to make more firm and concrete the intention of a peaceful transfer of power in 1988, newly established party rules concerning the selection and recommendation of the party's candidate for the 13th term presidential election.

Accordingly, preceding the Central Committee plenary session held on the morning of 8 March, the Central Executive Committee held an emergency session, and after deciding upon establishing express provisions for the selection of a presidential candidate, supported this by resolution of the Central Committee plenary session.

Spokesman Sim Myong-po explained that morning, "Because next year we must select a presidential candidate, we have now established party rules in advance providing for that," and he emphasized, "This is a link in the task of setting up milestones for the certain guarantee of a peaceful transfer of power in 1988."

The regulations decided in the Central Executive Committee for selecting a presidential candidate, consisted of: the candidate must be a member of the party; he can offer himself as a candidate if he receives the recommendation of one-tenth of the attending National Assembly members; he must register with the "Candidate Selection Administration Organization"; and he is selected by receiving a majority vote.

One person connected to the party said, "The regulations for the selection of a party candidate provide for a selection by secret ballot for a free election according to the regular style of democracy," and, "If none of the candidates receives more than half of the vote in the first ballot, then a second ballot will be conducted, and if no one receives more than half of the votes in the second ballot, then a third and final ballot will be conducted, and the recipient of the majority of the votes will be chosen."

The DJP, in its all-party conference in March of last year, revised its party constitution; an independent section (Article 71) concerning the selection of a candidate was established, but a reserved clause was inserted that said, "Detailed provisions for the selection and recommendation of a presidential candidate will be determined by party regulations." Using the opportunity of this Central Committee plenary session, express provisions were made.

The DJP, following the Central Executive Committee meeting, through the resolution made at the plenary session of the Central Committee to be held in the Seoul Chamsil Student Gymnasium, is scheduled to make "1989 constitutional revision" part of the party platform.

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S. KOREA/POLITICS AND GOVERNMENT

CONSTITUTIONAL REVISION SCHEDULES DEBATED

Seoul TONGA ILBO in Korean 8 Mar 86 p 3

[Text] Now that both government and opposition parties have failed to settle the dispute of constitutional revision and individually "declared" separate plans to manage political situation through formal, large-scale party meetings and joint interviews of high-power people, the political situation has entered a serious phase. The DJP proclaimed "constitutional revision of 1989" at the central committee's regular assembly of 8 March, and the opposition circle declared "struggle for constitutional revision of 1986" at the three-person joint interview of 7 March.

Democratic Justice Party

The DJP made it clear on the 8th that there is no other choice than the "change of regime in 1988" and "constitutional revision in 1989" - the political schedule planned by the government circle in its own way.

In the morning of the day, the DJP continuously held plenary meetings of the Central Executive Committee and Central Committee, and as a way of proclaiming its will for "the next presidential election based on the present constitution," it newly established presidential candidate election rules within the party regulations, while officially announcing that a person who pledges himself to the "constitutional revision of 1989" will be elected as a presidential candidate.

And it described the opposition's attempt for early revision of constitution as "maneuvers--with a factional, small profit placed at the head--designed to not only disrupt public opinion but also disturb constitutional order and obstruct social stability," and asserted that it will "take a lead to firmly block the maneuvers."

While this was meant to reject the political schedule of "constitutional revision in 1986, election in 1987, Olympics in 1988" that was clarified by the three opposition persons (NKDP governor Yi Min-u, Kim Tae-jung, and Kim Yong-sam), it was a proclamation of a decision to eliminate all future arguments of pros and cons of the political schedule and to manage the political situation in accordance with its own plan "regardless of likes or dislikes."

What's important is that the DJP openly declared such a political plan toward public rather than toward the opposition parties.

That is, the DJP has now chosen the nation rather than the opposition party as its target in persuading its political ideology.

Whereas the political schedule that was clarified by the three-person opposition on the 7th called for an early revision of constitution from the power class including the DJP while calling for the public participation of the nonviolent signature drive for constitutional revision, the DJP simply determined the opposition's contention as an "act to destroy and disturb the order" and instead developed a one-sided strategy of appealing to the public support and understanding of its political schedule.

In other words, it can be said that the DJP has aimed at raising the public understanding by proclaiming its policy that it will exclude the opposition's insistence from the discussion, that the next presidential candidate is to be chosen by the contested election that is a "democratic way," and that the candidate will be the person who pledges himself to the constitutional revision of 1989.

Therefore, it can be also interpreted as the last card that the government circle can cast.

This is, in the first place, due to the "timing issue," wherein the DJP openly declared the presidential candidate-related issues much earlier than the common sense.

From the viewpoint that the DJP, which has so far restrained itself from raising discussions of "successor" issues because of its concern about the "leakage phenomenon of the sovereign power," has voluntarily raised the issues of the next presidential election, a great deal of "decision" must have been set forth beforehand.

In fact, even last week when the DJP decided to hold the plenary meeting of the central committee, the issue of announcing the rules of candidate election was not known to have been included in the agenda. It was planned to adopt only a record of resolutions that pledges a collective will of the 1.5 million party members to the support of the president's political plan that was clarified at the three-party representative meeting of Chongwadae.

However, both domestic and foreign political conditions that have recently become acute gave rise within the government circle to the fear that "adopting the record of resolutions alone is insufficient to make our assertion an easy persuasion," and after a great deal of consideration of this, it was said to have been decided to raise discussions including the presidential candidate issue.

It can be said that in this process it was more urgent to elect the candidate through the "democratically" contested election and obtain public support by pledging to the constitutional revision of 1989 than worrying about elevating only the interest in the next presidential candidate.

Next, it could be the "internal problem" of the government circle. From this year, the government party has been showing an appearance of gradual concession about the pending issues through the president's state-of-the-nation speech, New Year's interviews with representative DJP members, and the Chongwadae meeting of 24 February.

Indeed, the change in the point of argument from the "discussion of constitutional revision of 1989" to "constitutional revision in 1989" was internally embarrassing for the DJP, which had insisted upon the "absolute protection of constitution."

Thus, under such circumstances, readjustment of the party atmosphere was an urgent issue, and, naturally, the DJP declared "no more changes in the point of argument" and led to a convention that expressed its determination to establish the "democratization within party" even for such important issues as election of presidential candidates.

Such an atmosphere was well reflected in the Central Committee's plenary meeting of 8 March, which pledged that "in order to materialize the 'grand politics,' all members of the party should make an effort and risk the party's fate in establishing a precedent and tradition of a peaceful change of regime."

Before and after the meeting, DJP executives consistently said, "There are no more alternatives. At the Chongwadae meeting of 24 February, the opposition parties turned to the negative side of the crossroad of the final options given, and negotiation is no longer possible insofar as the political schedule is concerned."

Such insistence and determination are explained as an advance warning of the government party's willingness to use the "strong force" logic once again if necessary.

#### New Korea Democratic Party

The joint interview of 7 March with NKDP governor Yi Min-u, Kim Tae-jung, and Kim Yong-sam is significant in that it unified its own "constitutional revision schedule" of the opposition circle, which has been somewhat loose so far, and that it materialized the strategy for constitutional revision drive while organizing its refutation logic against government.

It can be also said that in terms of timing, the three-person interview was a political confrontation aimed at the DJP's plenary meeting of the Central Committee, while it was for the internal adjustment within the Pan-Opposition circle including the pure nongovernment sector.

The main point of this interview is that the NKDP attacked the government's plan of "constitutional revision in 1989" with various interpretations such as "modified maneuvers to seize permanent political power," and afterwards presented its own political schedule of "constitutional revision in 1986 and election in 1987" as an alternative plan to break the deadlock.

Especially, regarding the government's plan of "constitutional revision in 1989," this interview took a form wherein the three people, who believe that the government's real intention is to sustain the seizure of political power after 1988, openly questioned whether the government is considering the Dual Executive System after all.

It could be also seen that the three people have even introduced the opposition's strategic position against the 1988 election with its back to the wall, by giving an early declaration that they will not participate in the 1988 presidential election under the present constitution if the government party persistently resists withdrawal of the plans for constitutional revision in 1989.

So to speak, the two Kims, for the first time, formally opened to the public their real intentions of forcing the unification of the opposition since the general election of 12 February, such as absorbing the Democratic Korean Party.

Just from the development of logic and the "feeling" of literary style, the keynote of the interview is formed with a view on the situation and judgment of present conditions from the viewpoint of the three people--especially the two Kims who represent the real power of the opposition circle--who were prepared for a "clash."

First of all, the three people expressed their judgment that the "democratization," which is compressed as a constitutional revision, is the great national task with the highest priority, ahead of even security and economic issues as well as the Olympics.

Furthermore, the three people calculated that the absolutely best chance for the constitutional revision is right now when the government circle itself demolished the protection-of-constitution logic, and because behind the government party's plan for the "constitutional revision in 1989" there is a possibility of its intention to take advantage of the national atmosphere that is expected to result from the successful accomplishment of the Olympics, they have shown their will to give absolutely no such room.

The assertion in the interview that "people's fierce resistance" and "drastic isolation from the world" will follow in case the government does not accept the "six major measures to break the deadlock" presented by the opposition circle could be also the expression of the three people's own "self-emotion."

That is, the opposition circle's contention of the "democratization" is interpreted as one that contains the two Kims' unique "view of the situation," namely, "proposal of guarantee to retreat" for the government circle, which is now beyond the simple stage of demanding the constitutional revision.

In fact, behind such judgment is a certain amount of encouragement from the recent foreign affairs in addition to the thoughts that the changes in

political situation after launching the signature drive could be favorable to the opposition.

Thus, internally, by ignoring the nonmainstreamers even in the process of turning the content of this interview into a party platform, the two Kims are demanding an "unconditional unification" of the viewpoint.

From this background, it is expected that this interview will become a point where the two Kims' grip on the NKDP and the National Liaison Organization for Democracy will become the greatest.

This is because with an open declaration of a "mutual unity in any case," the two Kims, who put up the "boycott the 1988 presidential election," are in a spirit of betting their political lives at pushing the constitutional revision to the end as a joint venture.

And the two Kims have shown their will to carry the constitutional revision signature drive, which is presently in progress, over to the streets after all.

When the two Kims asked the government party to choose "either to agree on the constitutional revision or to leave the signature drive alone after being presented with proof of public will in favor of the constitutional revision," it could be viewed as a hint that they could even use the signature drive as a "quasi-election atmosphere."

Simply, the remaining shadow of uneasiness within the party as well as among the public about this interview, which is viewed as a case where the two Kims, who remained outside so far, took the lead with bare arms at last, could be due to the fear of a "full-scale clash without politics" in the future.

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S. KOREA/POLITICS AND GOVERNMENT

NKDP CONSTITUTIONAL REVISION SCHEDULE ANNOUNCED

Seoul TONGA ILBO in Korean 6 Mar 86 p 3

[Text] Struggle Inside and Outside of the National Assembly Leaves Room for Political Compromise

Time limited for constitutional revision eased; breathing space in the political situation in spring. (Beginning of the materialization of the agenda for democratization.)

The complete story of the NKDP agenda for the promotion of constitutional revision.

The NKDP's "Agenda for promotion of constitutional revision by March 1987," decided on 5 March, can be said to mean that the opposition's heretofore vaguely urged "schedule for democratization," for constitutional revision within the term of the current president, has become concretized.

The reason is that this proposition, concerning the "1989 constitutional revision proposal" presented by the ruling party at the Blue House meeting of representatives of the three parties last 24 February, is a joint alternative proposal of the opposition, prepared via consultation with and depending upon all segments of the opposition.

In particular, the NKDP, by making public on the sixth the constitutional revision petition, reclarified the party's intentions.

It follows that the political situation in the future will consist of a state of affairs in which the ruling party's "1989 constitutional revision proposal" and the opposition party's "constitutional revision by March 1987 proposal" will be in conflict.

The essential points of the NKDP's plan for promotion of constitutional revision are: preparation of a constitutional revision bill by the end of this year, decision on a new constitution made by referendum by March 1987, formation of a cabinet by country-wide election, conducting a presidential election in 1987, and a peaceful transfer of power in February in 1988.

This plan, also, as a measure for the achievement of constitutional revisions in March 1987, arranges for the establishment of a Special Committee for Constitutional Revisions in the National Assembly, and for a joint ruling party/opposition constitutional revision bill in this fall's regular session of the National Assembly, and chooses to continue in parallel the struggle outside the National Assembly by continuing the constitutional revision signature campaign through the end of the year.

Looking at the opposition's constitutional revision schedule, one can say that it completely rejects the ruling party's "1989 constitutional revision" proposition, and it reconfirms the opposition's goal of "constitutional revision before the end of the term of the current president."

Of this kind of constitutional revision schedule of the NKDP, the government asks, "In order to successfully carry out the great national events of 1986 and 1988, are you not able to wait even 1 year?" The prospect is that this schedule will be pitted against the now-unfolding informational campaign directed at the people.

National Assemblyman Pak Kwan-yong, who drafted the constitutional revision promotion agenda, says that the reason for setting the time limit for constitutional revision at March 1984 was, "In order to smash the intention of the government and the ruling party to attempt to stand upon the 1989 constitutional revision proposal and gloss over the constitutional revision problem as simply a problem of timing."

However, comparing this with the original constitutional revision struggle schedule, the deadline for completing constitutional revision has been delayed to March 1987 from 1986, and one can say that it provides the opportunity for a breathing space in the political situation for this spring, originally expected to be one of "political crisis."

Also, the opposition's constitutional revision agenda, even as it indicated a parallel struggle within and without the National Assembly and not just a uni-directional struggle within the National Assembly, clearly shows an intention of political compromise in order to allow for a joint constitutional revision measure of the ruling and opposition parties.

This is because the NKDP recognizes that without the support or consent of the government and ruling party constitutional revision is absolutely impossible, and it is also a hint that the NKDP does not want to pursue violent methods.

At this point in time, because the government and the ruling party insist that the concept of constitutional revision in 1989 is immutable, one can say that their areas of compromise and points of contact with the opposition's constitutional revision promotion agenda are in a situation close to the unexpected.

However, the opposition, citing the example of the government and the ruling party tearing down the fortifications protecting the constitution and

presenting the compromise proposal of constitutional revision, have confidence that by pushing hard the other side will be forced out of position.

In connection with this, Governor Yi Min-u, as he unfolded his optimistic view that, "Politics change according to the situation," by saying that, "Politics means that if we have dialogue to the extent that there are rivals, we too can show some flexibility about the timing of the constitutional revision," and one can say that he hinted that there is room for political compromise.

The NKDP gives the explanation that the reason for hurrying the announcement of the constitutional revision promotion agenda is because the constitutional revision movement's burden is that it had to operate on the "responsible consciousness" that it must be a political party-type political organization.

Because it is clear that if the constitutional revision signature movement of the opposition off and on the campuses becomes powerful, due to friction between it and the government, victims will be generated, and it is the NKDP's explanation that in order to reduce this, the party stepped forward to make the first move.

Spokesman Hong Sa-toik, in connection with the opposition group's statement on the fifth, explains well the vital point, on which he spoke his mind, saying, "even if they are arrested and detained, political people must be in the forefront . . ."

Also, it is a fact that in the aspect of the NKDP speedily fixing its constitutional revision agenda, there is also the intention of spurring members of the party in the National Assembly who are negative and passive in the constitutional revision struggle.

The leadership of the NKDP admit that they judged that the constitutional revision struggle, which gushed enthusiasm from the "February 12 surprise attack constitutional revision signature movement," withered following the uncompromising response of the government authorities and the Blue House meeting, and in order to spur individual arousal and endeavor, announced the constitutional revision promotion agenda.

There is also the analysis that the NKDP announced the constitutional revision schedule in order to quiet noises transmitted by a corner of the party about: the composition of the government in 1987 following constitutional revision, and deferring the presidential election until the 1988 Olympics; and constitutional revision of dissolving the National Assembly in 1987, holding general elections, electing a president in the National Assembly, or a system by which the cabinet would have responsibility for constitutional revision.

At any rate, to the extent that the presentation of the NKDP's alternative plan has been considered as having possibility of negotiation, one can say that whether or not there will be political compromise in the future between the ruling party and the opposition will become the key to forecasting the political situation.

S.KOREA/POLITICS AND GOVERNMENT

PAPER REPORTS ON RESISTANCE TO ALLIANCE OF POLITICS, RELIGION

Seoul SEOUL SINMUN in Korean 14 Mar 86 p 3

[Text] "It is an all too self-evident truth that politics and religion--the mundane and the transcendent--should be separated and that, in reality, in most free countries, even if a particular religion is the dominant ideology of that society, this principle is clearly adhered to."

In spite of the fact that this is a kind of common sense, in reality, in our case, religion and politics have continuously maintained a very subtle relationship. To the extent that the relationship between politics and religion has been a subtle one, the sparks of a complex and difficult dispute have been planted, and it is a fact that those sparks are still alive today.

However, recently, the general atmosphere of our society has been one where the famous saying "Give to Caesar the things that are Caesar's and to God the things that are God's" has reached a persuasive force, and in reality, there has been an obvious declining trend in examples of religion becoming directly involved with actual politics. This is clearly apparent from all kinds of statistics on the period from the early seventies--a period when the relationship maintained between the two was extremely strained, through the late seventies, and up to the eighties.

However, recently a Catholic leader surprised the public by making a statement which clearly supported the position and assertions of one side in the political issue which sees the government and opposition sharply facing off.

This kind of political declaration by a religious leader is incurring strong resistance from both the political world and religious circles.

The dominant reaction inside religious circles is that "this is an extremely partisan political statement." Moreover, that the declaration at issue was quickly prepared at the site of presentation and was different from the substance of the prepared statement, and that there were politicians at the presentation site reinforces the seriousness of this problem.

The part of the declaration which is especially a point of contention is concerned with the debate over constitutional revision and it is not even a little bit different from the claim of the opposition, and in this regard there is a clear contradiction wherein the logic and assertion of the government side has been completely excluded.

The importance of timing can not be overlooked just because there has been a narrowing in the difference of opinion on the probability of constitutional revision. Even for the same task, the meaning of the time when that task is accomplished is very important.

Faced with an historically important event such as the Olympics, there is all the possibility in the world that the question of timing will bring about a bigger problem than the problem of revising the constitution itself will.

Even though the facts are this clear, for a religious leader to tilt to one side when expressing views or stating theories concerning the two opposing political plans is indiscreet.

If religion leaves the realm of individual salvation and clings to salvation of society then the essential task of religion may be botched.

Since parts of the substances of this declaration were reported in the newspapers, the voice of deep concern in religious circles has become louder. The director of the Association of Korean Catholic Leaders, the Reverend Sin Sin-muk, responded saying "It is not right for clergymen to participate deeply in politics." He made it clear that when any trouble arises in a society, the clergyman's posture is one of exhortation from the standpoint of a prophet and not one of getting directly involved in politics. Moreover, he said that if the substance of preaching is transformed into something political because in our present political situation opposition politicians stand on the side of government opponents, then it is time to rethink this as a matter relating to the convictions of clergymen.

The Reverend Im Mun-son of the Methodist Yonghwa church, while agreeing in opposing direct participation in politics by clergymen, also came out emphasizing the importance of exhortation. This is because due to the fact that present day religious are not coping with an era of persecution, when it comes to political problems, the church should not go beyond exhorting the people. The Reverend Im, who said that exhortation, something based on love, can also be dialogue, added that this is a church duty of a different dimension from a political statement or political intervention.

In saying that in Wonpulkyo Buddhism the principle of the separation between religion and politics is rigidly followed, Monk I Kwang-chong, the Seoul East parish chief of Wonpulkyo Buddhism, submitted the opinion that religion and politics were different. Therefore, he disclosed that participation in actual politics is prohibited. Monk I, in saying that he hopes a climate of cooperation between church and state can be quickly achieved, is expressing such a climate by means of an accord between church and state. Monk I, who sees the phenomenon of accord between church and state as the generative

power in the social development of a country, explained that "both the church and state have their function, the state like a stern father, the church like a compassionate mother." Accordingly, for the church to say it will participate in politics is tantamount to the mother taking over the father's role, and this he warned will, in the end, bring about confrontation and discord. He put forth the idea that the church and state are inter-dependent and with different functions.

The head of the General Affairs Department of the Chogyechong sect of Buddhism, Monk Pak Hyon-song, revealed his own conviction that the phenomenon of some religions becoming embroiled in political problems is not desirable. Monk Pak Hyon-song, who could not hide his surprise especially at the declaration which, after the fall of Marcos in the Philippines, intentionally attempted to transplant such a movement here, decisively said that though the role of clergymen is frequently emphasized, we long ago already endured a situation like that in the Philippines. And, even though actual participation in the world is acceptable in order to achieve social salvation, to stand on one side of a political controversy or speak for the benefit of one group is not acceptable. Monk Pak Hyon-song, who says that the duty of all clergymen is in achieving happiness in all by awakening and entrusting all to the will of heaven, also emphasized the point that the present day form of a clergyman is not the same as that of the high priest of theocratic times.

A keen response is also being seen from the Korean Buddhist Order Conference, the united organization of 18 religious orders from the Buddhist world. By means of a message published on the occasion of the "Buddha's entry into the priesthood," they opposed the narrow-minded participation in politics by religious groups. A message critical of present day religious phenomena which said "any society which loses a moderate order will inevitably lose harmony, and we are falling into a society the radical logic of which is premised on egotism and self-righteousness," this message, in disclosing the reason for the existence of religion, said that "if the mission of religion lies in adding means and value to life, then one must spread the truth 'that all living beings must be able to feel the warmth of mutual love and compassion' to society."

Moreover, this message, while appealing to "Buddhists to spontaneously take the lead in awakening people to the fact that violence and radical actions that are arising everywhere violate the moderate order which is a true aspect of human worth," warned that "the kind of righteous logic wherein people look at each other as enemies and say that only the road they are taking or their assertions are the correct way for the people is destroying the harmony of the people." This message, which pointed out that "we must not forget the anti-historical experience of a society where even though there was freedom of criticism an extreme black-white logic brought about catastrophe," recalled past history in saying that "mobilizing violence and inciting the people to achieve any goal, on the contrary, is not an endeavor that will achieve democracy but has brought about a division in the nation's strength."

Now, the church, by means of a wisdom possessed of fortitude, must straightaway see the reality of the extreme logic and schism of public opinion that is spreading through society. There is a need for us to once again scrutinize the lesson learned from Vietnam where, in the vortex of politics and religion, the country collapsed powerlessly.

S.KOREA/POLITICS AND GOVERNMENT

NKDP PRESIDENT CITED ON OPPOSITION GROUP'S SECESSION

SK030428 Seoul CHUNGANG ILBO in Korean 2 May 86 p 2

[From the "Central Tower" column]

[Text] With the issuance of a statement denouncing the NKDP and the Committee for Promotion of Democracy [CPD] by the United Masses Movement for Democracy and Unification, a federation of 23 opposition organizations, and with its secession from the National Liaison Organ for Democratization, [Minkungnyon] a liaison organization for opposition forces, on 1 May, the NKDP and the CPD were confused.

Noting that "Kim Tae-chung's 29 April announcement that he will not support the assertions of radical students was made in the place where the representatives of the United Masses Movement for Democracy and Unification were also present," NKDP President Yi Min-u stressed that as long as the United Masses Movement does not want a communist dictatorship, it should join the ranks for constitutional revision, removing any misunderstanding.

Kim Tae-chung stated: What I was worried about was not the mere words, anti-war and antinuclear, but the utterances about "Yankee's mercenary" and so forth. He noted that opposing the students' assertions is different from not respecting their patriotism.

In the meantime, Kim Tae-chung had a luncheon with Lambertson, deputy chief of the U.S. Mission and Dunlop, counselor in the U.S. Embassy, at noon of 1 May and discussed the present situation for about 2 hours. However, unlike the luncheon for Kim Yong-sam, U.S. Ambassador Walker was not present.

/6662

CSO: 4107/137

PAPER CALLS FOR DISCUSSION OF CONSTITUTION IN ASSEMBLY

SK050530 Seoul HANGUK ILBO in Korean 3 May 86 p 2

[Editorial: "Concentration of Discussion on the Constitution in the National Assembly"]

[Text] The day after President Chon Tu-hwan expressed "his willingness to revise the Constitution during his term in office" at a meeting with the representatives of the three parties, a Cabinet meeting passed a rule concerning "the committee to study the constitutional system." The duty of this committee, which will be established as an advisory organization under direct presidential control, can be said to be "wide-ranging investigation and study, from the position of experts, of overall matters concerning the constitutional system, and the formulation of recommendations for the president."

Meanwhile, it has been learned that the ruling party plans to complete the drafting of a revised constitution before a party congress scheduled for early next year. It has also been learned that, even though the ruling party plans to convene a National Assembly session in May in order to organize a special committee on the Constitution and to deal with other matters, the NKDP, while showing disapproval, is demanding a National Assembly session in June, and that this is because it is necessary for it to grasp the real intention of the DJP through a series of high-level talks and to coordinate party opinions and because President Yi Min-u will be on a visit to the United States 11 May.

This rapid movement by the government and the ruling party is in contrast to assertions on the protection of the Constitution, which they have advocated until recently. If we take this in a favorable sense, it is a show of their sincerity, which was not expressed too late, that is, expressed at a time of development of the political situation toward constitutional amendment. This can also be said to be an expression of willingness to take the initiative in the so-called great reconciliation. We hope that such efforts to take the initiative will be made not only in relations with the opposition parties but also in relations with the government. This is because substantial discussion must be held on the party level in the legislative body representing the people, not in the administrative body--for discussion on constitutional amendment deals with the fundamental framework of a country, a framework of a highly political nature.



Therefore, under circumstances in which the opposition circles have demanded constitutional amendment by the end of this year, they must not unintentionally give the impression that they are delaying constitutional amendment. We believe that the sooner negotiations on constitutional amendment and dialogue between those who possess real power takes place, and the more diversified they are, the better.

The fact that the committee to study the constitutional system will be organized in the government one step ahead [of the formation of a National Assembly committee] may again pose a rather strange question. This also reminds us of "a dispute," on March 1980, between the Government's "Committee To Study Constitutional Amendment" and the National Assembly's Special Committee for Constitutional Amendment. Even though, as a matter of fact, the attitude of respecting a draft prepared by the National Assembly was hinted in their reciprocal and compensatory relations, this must be a matter of constant concern. That is, there must be no confusion in discussion on the Constitution and the discussion must be concentrated in the National Assembly.

It is said that "the president will appoint the chairman, vice chairman, and members of the committee to study the constitutional system from among relevant experts, including scholars and lawyers, and relevant officials." In view of "academic knowledge and experience, such composition is understandable for the moment. However, it has been demonstrated that experts and working-level officials have bad habit of paying too much attention to detailed technical matters, at the expense of political insight on the basis of popular consensus.

We believe that, under all circumstances, it must be noted that the impending discussion on constitutional amendment is centered on the legitimacy of a government chosen by the people. Even though we do not oppose a debate on the merits and demerits of a political structure, for example, the phenomenon of deviating from the key issue and distracting one's attention must be avoided.

It seems that discussion on constitutional amendment has become an impending, unavoidable matter in terms of the content and timing of constitutional amendment. It is time to make utmost efforts to gather public opinions in a forward-looking manner, while maintaining in politics the balance between input and output. Needless to say, it is the ruling and opposition parties that must play the leading role in constitutional amendment and it is the National Assembly that must be a main stage for gathering public opinions of all sorts.

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CSO: 4107/137

S. KOREA/POLITICS AND GOVERNMENT

REPORTAGE ON NKDP RALLY IN MASAN

CPD Member Probed on Leaflets

SK100202 Seoul THE KOREA HERALD in English 10 May 86 p 8

[Text] Police yesterday questioned Ku Cha-ho, 45, the assistant spokesman of the Council for Promotion of Democracy (CPD), with regard to leaflets which police said were designed to hold police responsible for the violence expected in Masan today.

The National Police Headquarters said Ku was questioned after police confiscated 10,000 sheets of leaflets produced at a printing shop in Masan where the opposition New Korea Democratic Party is scheduled to hold a rally this afternoon.

The pamphlets were printed at the request of Ku, according to police. They said Ku was returned home after the questioning.

The leaflets, printed in the name of the Kyongsangnam-do chapter of the Opposition Party's campaign to promote a constitutional reform, are titled, "We denounce the attempt by government authorities to hamper the 10 May Masan rally."

Police said the pamphlets contained many unfounded rumors, including "The authorities concerned have plotted a scheme in which a number of riot policemen and intelligence personnel will be disguised as students or workers to lead violent demonstrations, including arson, as in Inchon."

Police said a complete investigation will be conducted to determine whether the leaflets were printed in a deliberate attempt to shift the responsibility over the expected disturbances to the government.

Rally Held in 'Rather Peaceful Manner'

SK100936 Seoul YONHAP in English 0918 GMT 10 May 86

[Text] Masan, Korea, 10 May (YONHAP)--The main opposition New Korea Democratic Party (NKDP) held a rally intended to further promote its campaign for constitutional revision in this southern port of Masan Saturday.

Unlike the aborted rally in Inchon, a port 30 kilometers west of Seoul, a week ago, the Masan event was held as scheduled in a rather peaceful manner. It was only marred by a demonstration by some 1,000 youths gathered in front of the Masan gymnasium, the venue of the opposition rally.

Police stepped up security measures to prevent the recurrence of riotous antigovernment demonstrations in Inchon. But they kept some distance from the site of the rally in consideration of opposition claims that the Inchon disturbance had been triggered by strong-arm method by police to break up the demonstrations by students and workers.

NKDP President Yi Min-u said at the meeting here that his party's ongoing petition drive to collect signatures for the constitutional change stemmed from the Ruling Democratic Justice Party's rejection of "people's opinion" on the constitutional matter.

The Opposition Party has called for the rewriting of the basic law so that the next president could be elected through direct, popular votes, not through the current electoral college system.

Yi said, "we have pushed ahead with our constitutional revision movement in a non-violent, peaceful manner. But the planned Inchon rally was aborted due to deliberate obstruction by authorities."

Kim Yong-sam, permanent advisor to the Opposition Party, urged the government to immediately release some 200 persons arrested in connection with the NKDP's campaign for the constitutional amendment.

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CSO: 4100/139

S. KOREA/POLITICS AND GOVERNMENT

EDITORIAL PRAISES REACTION BY STUDENT 'SILENT MAJORITY'

SK110205 Seoul the KOREA HERALD in English 11 May 86 p 4

[Editorial: "Voice of 'Silent Majority'"]

[Text] The vociferous outcries of radicals, though small in number, usually overpower the voices of others. This is especially true of the situation on the nation's university campuses where only radical voices have been heard, as if they represented the whole.

Fortunately, however, there is always a limit to such phenomena. Otherwise, the interests of those remaining silent [words indistinct] be protected.

Signs that the limit is drawing near are beginning to appear on our campuses. It is only natural, since the absolute majority of students have not agreed with the radical voices. What is more, the extremists have found themselves becoming increasingly isolated from the majority, thus being prompted to become even more radical and violent to keep their voices heard.

The latest riotous demonstration staged by radical activists in Inchon a week ago was one example of this phenomenon. It was following that incident that the voice of students critical of the radicalism began to be heard in the form of a "bulletin board dialogue" on the campuses of several universities.

Posters have appeared one after another trading criticisms, thus making the bulletin board a good forum for debate. It is, without doubt, good to see such a forum reflecting the majority view. It seems certain that "the silent majority" has been driven to break its silence by the leftist radicalism increasingly being fueled by its extremists.

They have indeed found themselves no longer able to tolerate such radical leftism which, beyond the realm of an idealistic academic pursuit, has come to threaten the very existence of their country. They are also critical of the "arbitrary" behavior displayed by radicals who are inclined to ignore other viewpoints, despite their professed democratic approach.

Betraying the majority desire to remain studious, the minority radicals have caused campus turmoil, hampering classes. The majority position must be

upheld under all circumstances. Particularly intolerable are the leftist radicals' slogans which sound similar to those of communist North Korea.

The majority voice must be encouraged so that it can be heard for the good of all. Keeping silent is not a virtue if it results, even if unwittingly, in abetting the perverted leftist pursuit.

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CSO: 4100/139

S. KOREA/MILITARY AFFAIRS

WEINBERGER, YI KI-PAEK ADDRESS SECURITY MEETING

Seoul CHUNGANG ILBO in Korean 2 Apr 86 p 1

[Text] The 1st plenary session of the 18th annual U.S.-ROK consultative meeting on security (SCM) was held in Conference Room No 1 of the Ministry of Defense on the morning of 2 April 1986 under the joint chairmanship of Yi Ki-paek, minister of defense, and Casper Weinberger, secretary of defense of the United States, with high-ranking military and diplomatic personages of the ROK and the United States attending.

In his opening message, Secretary Weinberger said that "the U.S. forces will stay in the ROK as long as the people of the ROK want."

Noting with emphasis that "the ROK's security is essential for the security of the United States," Secretary Weinberger declared that "the United States will render maximum cooperation to guarantee security for successful implementation of the 1986 and 1988 events."

Meanwhile, Minister Yi Ki-paek said in his opening speech that "the unity in security to which the United States and the ROK have held fast to for so long has made a great contribution not only to peace on the Korean peninsula but also to peace in Northeast Asia and the world" and hoped that "the meeting will be a productive one."

Concrete discussions were held at the meeting regarding the following subjects: measures to strengthen the early warning capability in joint efforts to deal with the North Korean puppets' provocation and threat to the 1986 Asian Games and 1988 Olympic Games near at hand; plans to continue joint U.S.-ROK military exercises, including Team Spirit; and measures to make impotent the 500 MD helicopters that the North Korean puppets have.

At the day session, it is reported, the two sides agreed to conclude an agreement designed to arrange an exchange of data on the core military technology, including ground-to-air strategic guided missiles.

It is reported, furthermore, that the plenary session made an analysis of the threat to the security of the Korean peninsula and Northeast Asia in view of the fact that the military relationship between the North Korean puppets and the Soviet Union has become closer and that discussions were held in a concrete form on the security measures to hold the Asian Games and the Seoul Olympic Games successfully.

At the business committee meetings, held after the plenary session, of the Cooperation on Security Subcommittee, the Technical Cooperation Subcommittee, and the Joint Declaration Subcommittee, wide-ranging discussions were held on the following subjects: the issue of improving the joint U.S.-ROK defense system; measures to develop ROK defense industries; the issue of improving the conditions of military procurement loans (FMS) to the ROK; measures to reinforce the munitions support capability in the initial stage of a war, including measures for transferring defense goods and for increasing the reserves of essential amunitions at the time of an emergency; the issue of technical cooperation regarding strategic ground-to-air guided missiles; and other issues of cooperation on security, munitions, and technology.

Earlier, Secretary Weinberger arrived at Kimpo Airport on a special plane in the afternoon of 1 April in order to attend the 18th annual U.S.-ROK consultative meeting on security. In an arrival statement, he warned that "the North Korean puppets have recently procured a great number of dreadful weapons from the Soviet Union and have moved their forces forward up to the front in the vicinity of the Armistice Line."

Secretary Weinberger said that "the ROK's security is of great importance for the stability and peace of the Far East and even for the security of the United States," revealing that "the forthcoming U.S.-ROK annual consultative meeting on security would confirm such a fact and would discuss, with deep concern, measures against the North Korean puppets' threat."

7989/12859  
CSO: 4107/122

S. KOREA/ECONOMY

1986 ECONOMIC PROGRAM REVISED, GROWTH RATE GOAL INCREASED

SK080950 Seoul YONHAP in English 0617 GMT 8 May 86

[Text] Seoul, 8 May (UONHAP)--Korea, for the first time, will see black ink this year in its current account, Deputy Prime Minister Kim Nan-che said Thursday.

In a press conference, Kim, who serves concurrently as economic planning minister, said that the government has revised its 1986 economic operation program, boosting its economic growth rate goal for this year from 7 percent to 8 percent.

Its goal for commodity exports was raised from \$33 billion to \$33.5 billion, up 10.6 percent from 1985. The government's \$32.5 billion import goal was not changed, however.

The improved external trade climate, which has stemmed primarily from the falling price of crude oil, the continuing appreciation of the Japanese yen against the U.S. dollar and declining international interest rates, has encouraged the government to upwardly adjust the major economic indicators in its 1986 economic operation program, Kim explained.

Due to the sustained export drive, Korea's external trade surpluses will expand from the original projection of \$700 million to \$1.6 billion this year, Kim said.

Because of an inactive overseas construction performance, however, deficits in the balances of invisible trade and capital transfers will reach \$1.1 billion by the end of this year, \$200 million more than the original goal, Kim predicted. Thus, Korea may record a surplus of \$500 million in its balance of international payments, he added.

An improved employment situation, mainly in the manufacturing sector, will hold the unemployment rate to 4 percent on a year-to-year basis. Wholesale prices, reflecting the recent stabilization, will decrease by 2 percent, while consumer prices will rise by around 2 percent this year, Kim predicted.

The government will employ an elastic monetary policy to keep from dampening the rising demand for funds to be invested in production facilities, especially in small- and medium-sized business sectors, even if currency in



circulation increases on the strength of the improved international payments position, Kim added.

The deputy prime minister said that the government intends to make the best use of the improving external trade climate to enhance the efficiency of Korea's industrial structure, to upgrade the financial status of key industries and to realign insolvent industries.

The government revised its 1985 economic operation program on the assumption that the prices of crude oil on overseas markets will remain at around \$13 per barrel for the time being; that the Japanese yen will continue to appreciate against the U.S. dollar, perhaps reaching 150 yen per dollar in three to four years; and that the average international interest rate, which had fallen to 6.8 percent as of 30 April, and the London Inter-Bank offered rate will continue to decline on a gradual basis.

Commenting on the revised program, economic experts outside the government said that the government could have raised this year's growth rate target to 8.5 percent or more.

The somewhat conservative upward adjustment of the growth rate target reflects the government's firm determination to use the growth potential to improve the efficiency of the national economy through retooling projects, such as technological innovations, the realignment of insolvent industries, the replacement of worn-out facilities and the supply of sufficient funds to small and medium businesses that are highly competitive, the economists said.

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CSO: 4100/139

S. KOREA/ECONOMY

GRADUAL DECREASE OF FOREIGN LOAN EXPECTED

\$46.7 Billion in Foreign Loans

Seoul MAEIL KYONGJE SINMUN in Korean 1 Mar 86 p 1

[Text] At the end of 1985, our country's total foreign loan was \$46.7 billion, of which the net foreign loan was \$35.5 billion after the foreign assets of \$11.2 billion.

In addition, the local finance, which is not included in the foreign loan, amounted to \$5.968 billion at the end of June 1985.

According to the Foreign Loan White Paper, published for the first time by the Economic Planning Board on 1 March, the short-term debt of less than 1 year is 23 percent, and the medium- and long-term debt of longer than 1 year is 77 percent, of which the long-term debt of longer than 5 years is 26.2 percent of the total foreign loan at the end of 1985.

Thus, of the total foreign loans, the short-term loan fell from the 26.9 percent of 1979 to 23 percent at the end of 1985, while the medium- and long-term loan increased to 77 percent from 73.1 percent of 1979 and 65.5 percent of 1980, thereby showing a healthier structure of foreign loans.

In terms of source of loan, 25.7 percent is from public institutions, 26.2 percent is from private, and 48.1 percent is from financial institutions; and in terms of interest rate, the fixed interest is 31.2 percent of all and the variable interest is 68.8 percent. In terms of its increasing trend, the foreign loan declined every year since the climax of 1980, in which the amount of increase was \$6.9 billion (rate of increase=33.9 percent), until 1984, in which the amount of increase was \$2.7 billion (rate of increase=6.6 percent), thereby resulting in the slowdown of rate of increase.

However, despite the improvement of international payments by \$500 million in 1985 compared with the previous year, the total foreign loan expanded by \$3.6 billion, which is explained as a result of a heavy decline in dollar value in 1985 by which the foreign loans designated as miscellaneous currency were converted into dollar, causing a nominal increase in the listed amount.

The local finance, in which companies of our country borrowed money overseas, was \$5.96 billion at the end of June 1985, of which construction industry was 59.9 percent, trade industry was 35.7 percent, and others were 4.4 percent; but the foreign construction-related finance, which has been the principal of the local finance so far, showed a declining trend since 1983 because of the slowdown in foreign construction economy, while trade-related finance and other local finances including the deep-sea fishery expenses continuously showed an increasing trend along with increasing foreign trade.

On the other hand, of the total foreign assets of \$11.2 billion, the foreign exchange holding is \$7.7 billion, the medium- and long-term export on deferred-payment is \$2 billion, and other financial institution assets are \$1.5 billion--an increase of \$4.9 billion from the \$6.3 billion of the end of 1979.

The White Paper analyzed that our country will achieve the balance of international payments from this year, wherein the net foreign loan will begin to decline, resulting in the net foreign loan of \$29.5 billion in 1991 from the \$3.55 billion of the end of 1985.

But the White Paper said that because of the burden in repayment of principal and interest of the existing foreign loans, which henceforth requires new foreign capital of \$6-7 billion every year, the total foreign loan will expand to \$51.4 billion in 1991 from the \$46.7 billion at the end of 1985.

On the other hand, the foreign loan status of major debtor nations at the end of 1984 is: \$102 billion for Brazil, \$94.9 billion for Mexico, and \$45 billion for Argentina.

In connection with such foreign loan status, the White Paper pointed out that an active promotion of a departmental foreign loan reduction policy is needed, and stressed expansion of export base and acceleration of import substitution, such as a developmental reform toward an industrial structure centered on promising types of business, strengthening the developmental efforts in technology and labor force of the industries, acceleration in improving the productivity and quality, and strengthening the efforts in energy saving.

Especially, the White Paper pointed out that in order to economize consumption and increase saving, it is necessary to: 1) improve saving conditions and expand saving systems; 2) reduce burdens of quasi-taxes; and 3) induce people to a healthy consumption.

In addition, the White Paper pointed out an urgency in efficient management of foreign loans in the future through acceleration of direct investment by foreigners and diversification of methods in raising foreign capital, including expansion of issuing foreign currency securities.

(1) ◇純外債 추이

(2) <단위: 억달러>

	79년말	80년말	81년말	82년말	83년말	84년말	85년말
3 총 외 채(A)	203	272	324	371	404	431	467
4 대 외 자 산(B)	63	75	80	88	95	101	112
5 순외채(A-B)	140	196	245	283	309	329	355
6 (증 가 액)	(45)	(56)	(48)	(38)	(26)	(21)	(26)
7 (증 가 율)	(46.7)	(40.3)	(24.6)	(15.7)	(9.1)	(6.7)	(7.8)

Key:

- |                                |                           |
|--------------------------------|---------------------------|
| 1. Changes in Net Foreign Loan | 5. Net Foreign Loan (A-B) |
| 2. In 100 million dollars      | 6. Amount of Increase     |
| 3. Total Foreign Loan (A)      | 7. Rate of Increase       |
| 4. Foreign Assets (B)          |                           |

Key Points of 'Foreign Loan White Paper'

Seoul MAEIL KYONGJE SINMUN in Korean 1 Mar 86 p 2

[Text] The "Foreign Loan White Paper" that the government promised last year is now out. Following is the summary.

Present Status of Foreign Loan

The total foreign loan - frequently called foreign loan - was \$46.7 billion at the end of 1985.

The annual interest payment was \$4 billion, while the net foreign loan was \$35.5 billion at the end of 1985.

There are also local finance, foreign investment and military loan, which are not included in the foreign loan although they are foreign debt. The local finance is the funds borrowed locally overseas by the overseas branch companies or local corporations of our country, and is guaranteed for payment mostly by domestic banks. The balance of local finance at the end of June 1985 was \$5.968 billion.

The scale of direct foreign investment was \$2.123 billion at the end of 1984.

The military loan, which is incurred during the process of introduction of military supplies, is excluded from the foreign loan, and its balance is not much.

Changes in Increase of Foreign Loan

Total foreign loans increased more than twice as much in 6 years from the \$20 billion at the end of 1979 to \$46.7 billion at the end of 1985.

The annual rate of increase is: 33.9 percent in 1980, 19.4 percent in 1981, 14.3 percent in 1982, 8.9 percent in 1983, 6.6 percent in 1984, and 8.5 percent in 1985; and in terms of net foreign loans, the \$14 billion of 1979 increased by about 2.5 times to \$35.5 billion in 1985, and the annual rate of increase beginning from 1979 is 46.7 percent, 40.3 percent, 24.6 percent, 15.7 percent, 9.1 percent, and 6.7 percent.

Also, the local finance grew more than twice from the \$2.447 billion of 1979 to \$5.968 billion at the end of June 1985.

#### Structure of Foreign Loan

In terms of total foreign loans, 77 percent of it is medium- and long-term loan of longer than 1 year, and the short-term loan is 23 percent.

Compared with medium- and long-term foreign loans of 73 percent and short-term loan of 27 percent in 1979, this is an improvement in the structure of foreign loans.

In terms of source of loans, the private loan was 41.5 percent in 1979 but was reduced to 26.2 percent at the end of 1984, and the loans from financial institutions increased from 32.6 percent to 48.1 percent. On the other hand, loans from public institutions maintained the same levels of 25.9 percent and 25.7 percent.

In terms of interest conditions, the fixed-interest foreign loan decreased somewhat from the 34.0 percent of 1980 to 31.2 percent in 1985, and the variable-interest foreign loan increased from 66.0 percent to 68.8 percent.

#### Chief Causes of Increases in Foreign Loan

The most basic reason is that the national saving is less than investment.

From 1962 to 1984, the average annual growth rate of our economy was 8.3 percent.

But behind this, the total investment rate reached an annual average of 29.2 percent, whereas the national saving rate was only 24.1 percent, thereby necessitating the shortage in the investment fund to be filled with foreign loans.

Furthermore, reduction in investment efficiency, including an overcapitalization in heavy chemical industry and excess in investment of consumption-oriented construction, such as high-rise buildings, resulted in the increase of foreign loan, and especially in 1980's, increase in oil prices and high interest rates became the principal causes of the increasing foreign loan.

#### Outlook of Foreign Loans

Due to the demand for foreign capital that will reach an annual average of \$6-7 billion, the total foreign loan will steadily increase until 1991 and is expected to reach \$51.4 billion.

But the net foreign loan has begun to decrease from this year, wherein the balance of international payments is to be achieved; thus, in 1991, it is expected to record \$29.5 billion, which is a reduction of \$6 billion from the current \$35.5 billion. The fall in oil prices will accelerate this trend.

#### Conclusion of the Foreign Loan White Paper

From the viewpoint of the reality of our foreign loans, it could first be said that our conditions and growth strategies inevitably necessitated accompaniment of increases in foreign loans, but we need to ask ourselves whether we have done our best to control the increase. Despite the similar situations, both Japan and Taiwan grew without foreign loans.

However, our country's ability to repay has been recognized, so that we are no longer 1 of the 15 largest debtor nations in the world.

It is time to show a united effort to reduce the foreign loans by setting goals of: savings by consumers; quality improvement, cost reduction and management rationalization by industries; and raising the investment efficiency and maintaining the confidence and consistency of policies by government.

(1) ◇借入期間別 外債 현황		(2) <단위=백만달러>			
		80 末	82 末	83 末	85 末
3	總 外 債	27,170 (100.0)	37,083 (100.0)	40,378 (100.0)	46,729 (100.0)
4	中長期外債	17,794 (65.5)	24,656 (66.5)	28,263 (70.0)	35,997 (77.0)
5	借 款	12,682 (46.7)	15,652 (42.2)	16,447 (40.7)	17,118 (36.6)
6	借款除外	5,112 (18.8)	9,004 (24.3)	11,816 (29.3)	18,879 (40.4)
7	(1~3年)	754 (2.8)	971 (2.6)	1,910 (4.7)	
8	(3~5年)	820 (3.0)	915 (2.5)	895 (2.2)	
9	(5年 超過)	3,538 (13.0)	7,118 (19.2)	9,011 (22.4)	
D	短期外債	9,376 (34.5)	12,427 (33.5)	12,115 (30.0)	10,732 (23.0)

II 괄호안은 構成比  
 D ◇借款은 借入期間別現況은 電算處理中임  
 B 資料: 財務部, 韓國銀行

#### Key:

- |   |  |
|---|--|
| 1. Present Status of Foreign Loans by Loan Period | 8. (3-5 Years)   |
| 2. In Million Dollars                             | 9. Beyond 5 Years  |
| 3. Total Foreign Loan                             | 10. Short-Term Foreign Loan  |
| 4. Medium/Long-Term Loan                          | 11. Component Ratio in Parenthesis                                       |
| 5. Loan   | 12. Present Status of Loan by Loan Period is being Processed by Computer |
| 6. Loan Exclusion                                 | 13. Source: Ministry of Finance  |
| 7. (1-3 Years)                                    | Bank of Korea  |

13095/12851

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S. KOREA/ECONOMY

ARTICLE DISCUSSES LABOR-MANAGEMENT RELATIONS

Seoul KYONGHYANG SINMUN in Korean 10 Mar 86 p 9

[Article by Kim Chi-yong: "Labor-management Issue Requires a Radical Change in System"]

[Text] This year, our labor-management relations face a great transition period toward a firm reestablishment. For instance, in terms of time, it has been 5 years since the National Labor Relations Act was revised under the plan to narrow the separation between our advanced labor laws and our underdeveloped labor reality. That is, it could be said that for the past 5 years, labor-management relations suffered from all sorts of hardships within the framework of a new system.

Especially last year, 265 cases of labor-management disputes broke out--the largest ever since the revision of National Labor Relations Act--which far exceeded 185 in 1981, 88 in 1982, 98 in 1983, and 113 in 1984, thereby putting the society into a whirlpool. In such a maelstrom, the "fraudulent employee" problem threw a new task to labor, management, and the government.

Even this year, we can predict a few variables that again surround labor-management relations. Improvement in international economic conditions, changes in the political situation such as the "signature drive," and the related movements on campus are just such variables. Indeed, mishandling of this period could lead our labor-management relations on a worse road.

Caution about Publicity on Good Times

In order to prevent this from happening, authorities in labor, management, and the government must first recognize that an improvement in the international economy is not necessarily a favorable condition for labor-management relations.

Just because there is a hint of economic improvement, its effect does not have any immediate impact on the workers' wage rate increases or on business investment in equipment; hence, the government or the employers should control themselves so as not to produce an adverse effect through too much publicity about recent economic conditions. This is because excessive publicity on the economy stimulates the workers' desires for wage increases and could bring about an unnecessary labor-management dispute during immediate wage negotiations.

Second, in connection with the trend outside the industry, this spring the employers will have to be prepared far more than anyone else. Bearing in mind last year's lesson that 60 cases were caused by fraudulent employees among the 265 cases in dispute, the employers will have to block the hiring of fraudulent employees, and to do so will require cultivation of the ability to resist hiring them.

#### Difference Between Survival and Ideology

This spring too, the invasion of industry by the so-called Action Circle students must be viewed as an inevitability. As confirmed at Seoul National University's combined demonstration on the 4th of last month, the Action Circle students are still planning the joint "labor study" struggle.

We think that employers should break from the practice of relying on administrative power to resolve labor-management disputes and that they will have to make doubly sure of personal management, such as a thorough confirmation of identity from the time of staff employment.

The psychologies of the workers and the Action Circle students are radically different. In other words, to workers, the business place is the very location for survival, whereas to Action Circle students, the business place is a field in which to verify their ideology.

Here is a story about 14 May 1980 when all college students and workers sprang up and the Labor Hall in Yoido, Seoul, was occupied by the workers. On the second day of continuous confinement by the workers, over 200 college students joined the confinement.

But only 2 hours after the workers cried for slogans and sang together with students, the students were asked to "get out."

As the workers pointed out, "the slogan is the same, but the ideas are different." The students left.

Another point that the employers must bear in mind is the sense of "common destiny" between labor and management.

Last year, among the 10 businesses that were under special labor supervision because of labor-management disputes, 9 businesses recorded profits, of which 8 businesses showed wage levels lower than the national average of identical businesses. Under such circumstances, it is impossible for the related workers to feel "in the same boat" with employers.

#### Share the Hardships

Not to mention last year, we have already been through the past high economic growth promotion period with the logic of "grow now, distribute later," wherein a deep-rooted distrust has been formed about profit sharing.



Thus, if a tradition of an appropriate distribution could be set this year, when the workers' expectations are expected to rise, it will be safe to assume that workers will share hardships later in case the employer should experience difficulties due to a changing economy.

Workers will depend on whoever they believe is on "my side." In fact, when workers are dragged into the fraudulent employees' instigation, it is because the workers believe that the fraudulent employees have a better understanding of their predicament.

In addition, it is necessary for the employers to revise their consciousness about labor union activity. In fact, at present, many employers quibble that the education of local union members by the Federation of Labor is against the article prohibiting "third-party intervention."

#### Unification of Present System Urgent

Speaking strictly, we could say that the "labor-management dispute" does not concern everything in "labor-management relations," but in our case, the most urgent issue in labor-management relations is the firm establishment of labor-management relations through the resolution of unlawful labor-management disputes.

This can be frankly explained by the fact that among the many labor disputes, not a single case was resolved lawfully in accordance with existing labor dispute mediation laws.

Thus, many experts contend that the government should stress the absence of precedents of lawful disputes and consider supplementing the system. The experts expect a measure to unify the existing systems involving not only labor relations laws but also the two-house system of labor administration wherein the labor union reports and the labor dispute reports are filed at the social affairs department in each city and province under the Ministry of Home Affairs. It is said that in reality, the city and provincial workers' non-specialization in and insincerity about labor issues result in inflaming the impulse of the workers who wish to report labor disputes, thereby causing a labor-management dispute.

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CSO: 4107/117

S. KOREA/ECONOMY

CONGLOMERATES ENCROACH ON SMALL-BUSINESS FIELDS

Seoul MAEIL KYONGJE SINMUN in Korean 19 Mar 86 p 6

[Text] As large corporations increasingly invade the business territory of small- and medium-size enterprises, the "native territory invasion dispute" has entered a new phase, wherein it has come at last before the National Union of Economic Man, which speaks for the rights and interests of both sides, and the Central Committee of the Cooperative Union for Small- and Medium-size Enterprises.

In response to the requests of a few large corporations that face hardships from the "territorial invasion" dispute, the National Union has begun to show a chain of movement and accordingly, the Central Committee has sharpened its antenna, maintaining close observation of the opponent's movements.

However, in order to prevent such a dispute about an invasion from becoming an outright confrontation between the organizations, both sides encouraged contacts between their vice presidents and attention on the idea that they conduct a "preliminary study" of potential problems, but analysts say the case won't be so easy. Both sides' present situation are such that the National Union is known to have taken a position that this opportunity be taken to reexamine the 205 traditional small- and medium-size businesses, whereas the Central Committee maintains its position that in order to achieve balanced, industrial development, the large corporations should expand and deepen the real affiliation between capital and technology, thereby expanding the coexistence base, instead of engaging in direct participation in the areas of small- and medium-size enterprises.

The traditional territory of small- and medium-size enterprises has been expanded to 205 businesses, with enactment of a small- and medium-size enterprise business control regulation in 1961 as a beginning, through amendments of laws in 1978 and 1983, and with the revision of the Enforcement Ordinance in 1979 and 1984.

On the other hand, the number of cases of large corporations invading the traditional territories of small- and medium-size enterprises was 5 in 1981, 14 in 1982, 4 in 1983, 25 in 1984, and 41 in 1985.

Due to the expected expansion of the large corporations' businesses stimulated by business conditions this year, the small- and medium-size enterprises fear that the cases of territorial invasion will be greater than ever.

This year, the articles that became the target of dispute are several, including electronic circuit boards, ready-mix concrete, stone and construction materials, electric anticorrosives, copper pipes, watch cases, etc. The examples of territorial invasion are as follows:

#### Repetition of Mixed Fight for 4 Years (PCB)

The most dramatic development of the territorial invasion of small- and medium-size enterprises by the large corporations this year is in the area of the electronic printed circuit board (PCB) business.

Over 60 small- and medium-size businesses gathered at the Union on 18 February and said that the large corporation, Samsung Electronic Parts Inc., has entered into this area and protested against Samsung while presenting copies of a customs house import license.

The small- and medium-size businesses, which have bristled for almost 4 years since 1983 against talk of Samsung's entry into PCB production, could not control their feelings of betrayal and anger once they confirmed the customs clearance of the Samsung-related mechanical equipment and materials.

Rumors have circulated since 1983 that Samsung would enter into the PCB business, which is designated as a "business to be nurtured with preference given to small- and medium-size enterprises" and which the small- and medium-size business had requested the Commerce and Industry authorities and Samsung to guarantee as a specialty territory.

Thereupon, Commerce and Industry authorities repeatedly assured that "entry by the large corporations, including Samsung Electronic Parts, cannot be allowed. Quickly expand capital and raise product quality to the world-class level. If necessary, we will commit ourselves even to the designation of traditional business." The small- and medium-size enterprises, encouraged by this, were said to have done their best to expand capital and to raise product quality. On the other hand, the small- and medium-size enterprises insist that the Samsung, for the past 4 years, has only provided such explanations as having "no plans to enter" and "just conducting a study for research purposes."

In March, as this issue was put before the concerned authorities by the small- and medium-size businesses, and as a business control petition was filed through the Electronics Union, whereby the issue is to be referred to public opinion, Samsung was known to have taken a position that "it will absorb only those to be exported."

While the concerned authorities start actual inspections and the small- and medium-size businesses set out to establish a life-or-death defense line, the small- and medium-size businesses contend that the purpose of importing equipment and materials that are worth about 2.5 billion won is to enter into PCB production.

Further, the small and medium-size businesses contend that for the past 4 years, Samsung has unfaithfully "transformed itself" by saying:

(1) It has no business plans to enter the field, and (2) importation was for the research department, (3) it only wants to prepare for such high-quality demand as a multiple-layer board, and (4) Samsung will produce only for export in order to contribute to the growth of the domestic electronics industry. They insist that Samsung should altogether abandon its entry, since its position "for export only" cannot be trusted based on the progress so far.

As the lives of over 4,000 employees are at stake, and not only because the product is technically of high export quality but because the total supply quantity is worth only \$70 million, the small- and medium-size businesses insist that they should specialize in this area. Hence, the direction of settlement surrounding this dispute is attracting attention.

#### Pause After Field Investigation (Plating Area)

As Daewoo Precision, Inc., attempted, with 380 million won, to establish plating facilities, which is a traditional business area of small- and medium-size enterprises, as well as automobile parts production facilities in Simsan, Kyongnam Province, it has encountered resistance from the small- and medium-size plating businesses, which complain of an invasion in a business area traditionally theirs.

Although Daewoo Precision contends that it is not an external facility and that it is impossible for the existing domestic techniques and facilities to do chromium plating of the shock-absorbent piston rod, an automobile part, the small- and medium-size plating industry points out Daewoo's impropriety by saying that not only are the techniques and facilities of chromium plating sufficiently established but plating is also a traditional business area of small- and medium-size enterprises.

In the Pusan and Masan areas that lie adjacent to Daewoo Precision's Simsan plant, over 60 small- and medium-size plating businesses are in operation, and they contend that their survival will be in danger when Daewoo's plating plant enters operation.

While Daewoo's entry into the plating business has even brought--along with a criticism of the invasion in the traditional businesses of small- and medium-size enterprises and a criticism of whether or not the small- and medium-size plating industry will be able to retain its techniques, thereby causing a serious confrontation--a 2-day field investigation

sponsored by the Central Committee of the Cooperative Union for Small- and Medium-size Enterprises is scheduled for 24-25 March, the result of which will be watched closely.

#### Yisu Chemical Quits Production (Foam-type Fire-extinguishing Chemicals)

Here is a case where Yisu Chemical, part of the Daewoo Group, gave up its production plan after a sharp confrontation with small- and medium-size businesses when it attempted to promote the production of foam-type fire-extinguishing chemicals at the Ulsan plant.

Around July 1985 when Yisu Chemical applied for formal approval at the Korean Fire-fighting Inspection Corporation after obtaining a manufacturing permit from the authorities of South Kyongsang Province for the production of a surface active agent, foam-type fire-extinguishing chemicals, it encountered strong resistance from Korea Fluoric Chemical Industries because of invasion of the small- and medium-size business.

Furthermore, Yisu Chemical is known to have flunked the formal inspection of the Fire-fighting Inspection Corporation as the product could not win sufficient points.

#### Enter Upon Research on the Actual Condition (Copper Pipes)

As Korea Electric Wires has recently attempted again a full-scale entry into the production of copper pipes, which has been a subject of criticism since last year, small- and medium-size businesses are urging the Central Committee to block the entry, thereby bringing this issue to the surface again.

Although Korea Electric Wires once held back its entry into the copper pipe business last year, it is known to have spent 17 billion won recently to promote its entry again into the production of copper pipes.

On this issue, the small- and medium-size businesses contend that in such a situation, where the large corporation Pungsan Metals occupies 62 percent of the total market and the rest of the market is occupied by over 20 small- and medium-size businesses, the entry of another large corporation will completely eat away the business territory of small- and medium-size enterprises.

In response to such a contention by small- and medium-size businesses, the Korea Nonferrous Metals Union filed a petition for business control with the Central Committee, and the Central Committee is expected to commence its research soon on the actual condition.

#### Opposition Against Large Corporation's Entry (Watch Cases)

As the leading domestic watchmakers, Handok, Inc., and Anam Industry, Inc., have decided to enter into production of watch cases, which is a traditional business of small- and medium-size enterprises, and rushed to overtake existing small- and medium-size case businesses and to establish new facilities, more than 10 small- and medium-size businesses are being squeezed.

Those two corporations receive their supplies of cases, which are necessary for watch production, through imports or subcontracts, and their reason for entering into production is the inferior price and quality of the domestic product. However, since this area, too, is a traditional business of small- and medium-size enterprises and presents a fear of putting the business territory of small- and medium-size businesses in danger, the concerned small and medium-size enterprises have launched a desperate drive to block the large corporations' entry.

#### Control by the Authorities (Shipbuilding Equipment and Materials)

Meanwhile, as the large corporation Korea Aluminium, Inc., has recently shown its intent to enter the area of the electric anticorrosive Al-Amode for shipbuilding equipment and materials, which is designated as a traditional territory of small- and medium-size enterprises, the shipbuilding equipment and materials union filed a petition for business control, which was controlled by the authorities--a noteworthy case.

As Korea Aluminium confined its business territory to the production of export items of over 200 kg per item, the territorial friction with small- and medium-size businesses, including Samgong Company, in this area has stopped.

#### Invasion of Simple Manufacturing (Ready-mix Concrete)

The territorial conflict between large corporations and small- and medium-size enterprises is not just limited to such specialized, high-technology areas as electronics and machinery.

Without exception, large corporations are extending their fingers even to such simple manufacturing businesses as ready-mix concrete including cement processing and stone material processing. Recently, Hyundai Cement attempted to establish a ready-mix concrete plant near Taegu, but it is known to be reexamining its plan because of the increasing resistance by small- and medium-size ready-mix concrete businesses in this area. Development of a ready-mix concrete plant in the suburbs of Taegu by Hyundai Cement brought greater criticism because it was planned amid the already excessive supply capacity of small- and medium-size ready-mix concrete businesses.

The existing small- and medium-size ready-mix concrete businesses of this area insisted that in case Hyundai resorts to price competition with a complete capability to engage in cement production, aggregate extraction, ready-mix concrete processing, and construction, the small- and medium-size businesses will lose their ground. Thus, they filed a petition for business control through the Central Committee.

Such instances have already frequently occurred all over the country since 2-3 years ago. Last year, Asia Cement in the Taegu area, Asia Cement and Tongyang Cement in the Taejon area, and Tongyang Cement in Yangsan,

Kyongnam Province, each established plants and entered into operation, despite the resistance and petitions of the small- and medium-size ready-mix concrete businesses in those areas.

In the ready-mix concrete industry, the 12 large corporations led the way in 1982 when our country first started the business, but since then a large number of small- and medium-size businesses have entered, and now there are 12 large corporations and 86 small- and medium-size businesses.

Because of this, large corporations insist upon their vested rights in the ready-mix concrete industry. However, the small and medium-size businesses request that the industry be designated as a traditional business of small- and medium-size enterprises, based on the fact that the ready-mix concrete industry is a simple processing business and an urban industry.

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S. KOREA/SOCIAL CONDITIONS

BRIEFS

SEAMAN ARRESTED FOR DRUG SMUGGLING--Yamaguchi, 11 May KYODO--Police have arrested a South Korean sailor for allegedly smuggling 1 billion yen worth of stimulant drugs into Japan. Police said Yi Ki-yong, 41, communications officer of a South Korean cargo vessel, was detained Saturday night aboard his ship. The ship, the Kumyang No. 3, was on its way to South Korea when it was stopped by a Japanese coastal patrol in the Shimonoseki Strait. Police said Yi delivered 5 kilograms of stimulant drugs to Kim Chae-sok, a South Korean resident in Japan, in Osaka Port last Thursday. The drugs are worth 1 billion yen at street prices. Kim, 29, is also under arrest. Police say they have confiscated 4 kilograms of stimulant drugs from Kim, and they said they believed Kim had sold 1 kilogram of the drugs he got from Ri before his arrest. [Text] [Tokyo KYODO in English 0649 GMT 11 May 86 OW] /12913

CSO: 4100/139



S. KOREA/SCIENCE AND TECHNOLOGY

IMPACT ON INDUSTRIES FROM HIGH YEN VALUE, LOW OIL PRICE

Electronics Industry

Seoul HANGUK KYONGJE SINMUN in Korean 28 Feb 86 p 1

[Article by Pak Song-won: "The Electronics Industry"]

[Text] Lately, Sambo Computer, a leading export enterprise, has been so busy that the day is too short.

This is because, as befits an advanced enterprise, it is putting out original models and the export volume is increasing about four times the rate it was last year.

It has garnered orders up to the 2d quarter and, until that time, also has a plan to ship an average of \$1.1 millionworth (of their product) every month.

Even though this company has already begun full production, there has been a shortage of workers so it has been forced to delay meeting domestic needs. The situation in Sindoriko, a Korean-Japanese joint-venture office machine, and tool-manufacturing enterprise, is also the same.

This is because the competitiveness of Japanese-produced facsimile machines, sorters, etc. has dropped due to the strength of the Japanese yen, and buyers from America, Europe, Southeast Asia, etc. are increasing their imports from Korea. Buoyed by these circumstances, this company is increasing its export goal for the current year to \$15 million, an increase of about 50 percent over last year.

Large enterprises are doing even busier.

Gold Star Communications, which is concentrating its energies on exporting telephones, is presently carrying out large-scale negotiations with buyers from America, Europe, etc.

If they turn out well, it is anticipated that exports of more than 3 million units this year will not be beyond reach.

On the other hand, Samsung Electronics is increasing its work hours to supply the export volume.

This is because, due to the fact that the price competitiveness of electric ranges, color TV's, VTR's, manufactured audio goods, etc. has increased by more than 10 percent when compared to the period before September of last year, large-scale American department stores, etc. are turning to us for their source of supplies. Even up until the end of last year, Samsung saw an increase in the growth rate of its exports for the current year of about 20 percent, but with the later continual rise in the yen rate compounded with the drop in the price of crude oil, an increase of more than 40 percent is now anticipated.

Following on the heels of one another, visits to Korea by Japanese electronics firms for the purpose of purchasing parts have increased lately by about 30-40 percent over the same period last year.

These people, who from April on--when the general stockholders meeting season ends--must raise export prices over the board, are aiming at holding fast to competitiveness and are either importing commonplace Korean-produced parts or finalizing such things as the task of transferring facilities to subsidiary companies in the Masan Free Export Zone.

Because of this, here and there signs of economic activity such as an increase in the production line and the search for more workers by semi-conductor enterprises, the Kuro Public Corporation, etc., are being noticed.

The electronics industry, which had fallen into a depression due to inactivity in the domestic market and the trade protectionism of all countries, is now, finally, on the threshold of an upswing due to the strength of the yen and a drop in crude oil prices, and this welcome situation is appearing in various economic indexes.

The combined export total for finished electronic products and household electrical appliances last January was \$347 million, a 12.5 percent increase over the same month last year.

In February, the month when goods agreed upon in negotiations at the end of last year and in January are shipped, it is hoped that this export total will have increased to around \$420 million, an increase of more than 23 percent.

It is worth mentioning that this is a bright outlook which indicates the export goal for the current year of \$5.8 billion can be achieved well ahead of time.

On top of that, if the U.S. GNP expands by only 0.5-1 percent more due to the sharp drop in the international price of crude oil, then there is a prospect that our exports to the United States will proportionally increase by 3-4 percent.

The result of an adjustment in domestic oil prices is the same.

The domestic sales goal for finished electronic products this year is \$400 million, 7.9 percent more than last year.

But if the GNP is increased an additional 1 percent by an adjustment in the price of oil, this will increase by 2 percent and we can look forward to a double-digit increase in domestic sales.

Ch'oe Kwang-chong, vicechairman of the Committee for the Promotion of the Korean Electronics Industry, emphasized that now that we are facing a favorable opportunity due to changes in the environment of the economy inside and outside of Korea, it is time to prepare the stepping-stone from which the electronics industry can spring.

This means that we must closely observe Japanese business, which is suffering, due to a fluctuation in international money rates, but which is using this opportunity to strive forward in the development of technology-intensive finished products.

The low rate of the conversion to domestic production of parts and materials is also a problem.

Because of this, our reliance on parts, etc. imported from Japan is too great.

Because the stockpile of parts bought when the yen rate was low is already exhausted and from now on we must buy them at a higher price, the possibility that this will ultimately become the reason for a rise in cost and a lowering of competitiveness is greater.

Furthermore, the drop in the international price of crude oil is not enjoyed only by us.

This is the same benefit that competing countries such as Japan, Taiwan, Hong Kong, Singapore, etc. receive, and there are many countries that have lowered the price of domestic oil derivatives and electricity rates or have bought crude oil at a cheaper price than we did.

Accordingly, in industry circles, talk is centered around the development of technology and new finished products, diversification in the expansion of exports and imports, and improvement in productivity.

Kim Ch'ang-hon, the director of Samsung Electronics, says that if this time we do not achieve a conversion to the domestic production of parts, we will be losing a rare chance, and he explains that this is why Samsung Electronics and Samsung Electronics Parts have a plan to develop 519 types of parts this year that will be substituted for 92.4 billion won worth of imports annually.

While this is going on, Kang Mal-gil, the director of Gold Star Communications, disclosed that he is immediately liquidating imported parts from Japan such as semiconductors, transistors, diodes, etc. and, to the extent possible, is reducing the loss resulting from the difference in the yen rate as it rises. He said that he is presently steadily diversifying his sources of imports to such areas as Taiwan, Hong Kong, Singapore, etc.

There are also many examples of increasing exports by means of developing new finished products.

Pak Gi-ok, managing director of Sindoriko, said that a sorter--an accessory for a xerox machine--developed in the last half of last year is doing better than expected.

Kim Yong-sik, director of SamBo Computers, in disclosing that in October of last year, when the yen was very strong, they developed the Trijam AT and the 88 II and were now trying to export them as their main items and that a 32-bit computer, a personal computer, a work station, etc. would be introduced one by one, reminded everyone that the development of new finished products and new technology was now surfacing as the most important task at hand.

### Machinery Industry

Seoul HANGUK KYONGJE SINMUN in Korean 1 Mar 86 p 1

[Article by Kim Gi-ung: "The Machinery Industry"]

[Text] This year the expectations of the machine industry are great. That is because for the first time, in exporting \$8.37 billion worth of machinery, they must bring about a trade surplus in this sector.

This ambition of the industry, something that can be called enthusiastic, has, of course, been greatly aided by the so-called "three low phenomena," i.e., the strength of the yen and weakness of the dollar, the low price of oil, and low interest rates.

In reality, the phenomenon of a strong yen has played the decisive role in elevating the competitiveness of Korean-produced machinery.

Lately, the importation of Japanese-produced machinery, which occupies the biggest portion of our trade deficit with Japan, is declining conspicuously and exports of Korean machinery are increasing relatively.

The Association for the Promotion of the Korean Machine Industry has disclosed that so far this year the import price for Japanese-produced pumps, printing machines, welding machines, dyeing machines, hydraulic cranes, etc. has already increased about 10 percent.

A survey by the Ministry of Commerce and Industry said that because of this, the competitiveness of Korean-produced goods is increasing.

In the case of Korean-produced farm tractors, an analysis has shown that, so far this year, in competing with Japanese, European, and American products, price competitiveness has increased at the rate of 26.3 percent, 4.6 percent, and 7.8 percent, respectively.

An analysis has also shown that the price competitiveness of packaged air conditioners has increased by 22.4 percent, 6 percent, and 3.7 percent, respectively, and that for freezers by 19.6 percent, 9.7 percent, and 0.9 percent, respectively.

The price of oil occupies about a 5 percent share of the manufacturing cost of machinery. But the effect of it is great. An adjustment in the price of oil increases the demand for industrial machinery and invigorates the "investment mind" of businesses, and in the end there is a prospect this will become directly linked to investments in facilities.

There are more encouraging phenomena. If international interest rates go down, then the interest liability of businesses that borrow money to build factories decreases and to that extent there is a prospect that they can breathe freely.

Aided by such various good circumstances, lately, the rate of operation of the Ch'angwon Industrial Complex has surpassed 80 percent and is now busier than at any other time.

But the signs of this type of upswing are stronger in small and medium-size enterprises and parts industries than in large "machine makers."

This is because once the export price of Japanese-produced goods went up, buyers from Europe and Southeast Asian areas quickly turned to us for their sources of imports.

Even "assembly makers" from Japan are visiting our country to deliberate on such problems as investment in Korea, the exportation of Korean parts, etc.

Such welcome phenomena can be found here and there in areas where small and middle-size industries congregate, such as in the Panwol Industrial Complex, the Kuro Industrial Complex, etc.

The same is true of large industries. Lately, in the case of Gold Star Cable, import orders from every country, including Japan, has been conspicuously increasing and they are raising their rate of operation.

Furthermore, since the supply price of Japanese-produced goods went up, the domestic demand for presses has been increasing.

Someone connected to this company disclosed that orders for finished cast iron products, orders for cast, and wrought iron plants, etc. have increased, and the reality of economic recovery is now being felt up close.

The explanation by Ch'oe Yong-sang, managing director of Daewoo Heavy Industries adds persuasiveness to this.

"In various sectors the positive effects of the high yen rate are becoming apparent. Among them, it is estimated that domestic orders for machines

and tools related to factory automation (FA), machine tools, etc. have now increased by more than 20 percent when compared with the same period last year." However, that which the hopes of the industry rest on, the so-called "three low phenomena," is not bringing only good results without deviation.

The higher the degree to which a business relies on imports of materials and parts the greater is the manufacturing cost, and this is fanning the flames of a shift to the domestic production (of parts, etc.) for these businesses.

Daewoo Heavy Industries is planning to move up the schedule for the conversion to domestic production of bolt screws, a controller restraint apparatus, railroad cars, etc., from what was originally planned.

Machine tool businesses that have formed a common front around the Korean Machine Tool Industry Association have increased, and their practical resolutions are attracting attention.

Kia Machine Industry, Hwach'on Machinery, Tongmyong Heavy Industry, T'ongIl, Sanch'onri Machinery, etc. are promoting the establishment of a jointly supported company in order to choose and develop parts that are a big portion of their supplies imported from Japan.

Their strategy is to divide the enormous investment expenditure for technological development among many companies, and by means of a small expenditure reap a huge result.

On the other hand, there are many businesses that are trying to extend the opportunity that has arisen due to the "three low phenomena" to exports.

Taedong Industry is making a full-scale advance into the American farm machinery market, which is dominated by the Japanese.

Aided by this "three low phenomena" this company has increased its export goal for the current year by 117 percent over last year.

Dusan Machinery, a firm which specializes in manufacturing chemical food-processing equipment, is planning to struggle to capture the Japanese market. This factory has also set an export goal of \$10 million, twice that of last year.

Taegon Machinery, makers of spinning machines, has increased its export goal by about 53.8 percent, and Sungri Machinery, a loom industry, has increased its export goal by about 50 percent.

On the other hand, businesses with a high degree of reliance on Japanese imported parts that shouldered high manufacturing costs this time, are actively endeavoring to help themselves.

Watch parts, boat engines, and hi-tech machine industries are just such industries.

An Ch'on-hak, president of Sangyong Heavy Industry, has prepared and is promoting a more positive and efficient plan to nurture domestically generated power. He explained that, in order to raise the rate of the conversion to domestic production, starting 5 years ago, he had already invested more than 50 billion won and was now looking into a plan that would make the most of the international futures market so that a steady supply of raw materials, the rise and fall in the price of which is extreme, could be secured.

The time piece industry is concentrating on decreasing imports such as movements, etc. from Japan and diversifying sources of imports.

And a stock company, Handok, is finalizing the independent establishment of a watch case factory.

At present, in the favorable and unfavorable currents that the "three low phenomena" have brought, all machine industries are busily working to use this opportunity for their own benefit.

#### Textile Industry

Seoul HANGUK KYONGJE SINMUN in Korean 5 Mar 86 p 1

[Article by Ch'oe Chong-ch'on: "The Textile Industry"]

[Text] The textile industry can be counted as one type of business that has been more conspicuously influenced by the high yen rate and the fall in the price of oil than any other sector.

Lately, in this industry orders from buyers have been coming in rapid succession and domestic demand is also increasing by a large amount.

In some cotton-spinning businesses the situation is such that there is a shortage of workers and they are not able to accept all the orders of the crowds of buyers.

Accordingly, each and every business is taking this year as a good opportunity to revive textiles, and each in its own way is preparing an ambitious management strategy and carrying it out in an organized way.

The atmosphere of places like Ch'unghnam Spinning, the forerunner in the cotton-spinning industry, symbolically speaks well of this prosperous mood.

This company has already secured export orders for the first half of the year. Now they are in the process of carrying out negotiations on exports for the second half of the year.

The export demand is very large, so in the case of export quantities for the second half of the year, they are planning to take into consideration price conditions, etc. and accept only specially selected orders.

This means that even though they have gone into full operation under an emergency production system, their supply capacity is inadequate and they have no alternative but to accept specially selected orders.

The situation at Taenong, Taehan Spinning, Ilsin Spinning, and other cotton-spinning businesses is similar to that at Ch'ungnam Spinning. From about the end of September of last year, when the yen grew in strength, these businesses have been taking advantage of the export boom.

This tendency has continued up to this year and the export quantity, up until the end of February, increased around 20 percent over the same period last year. The winds of business activity are also blowing in the synthetic textile and textile product sectors.

With the special boom in jacquard fabric, an expensive special synthetic fabric, the synthetic-textile industry is rediscovering vigor. So far this year, export orders from the United States and the Middle East for this jacquard fabric have greatly increased. The export quantity up until the end of last February was estimated at approximately 25 percent more than the same period last year.

Because of this, what seems to be an excessively competitive phenomenon is attracting attention. That is, there is a movement among synthetic-fabric makers to change polyester, and even silk production facilities into jacquard fabric ones.

As a result of this phenomenon, so far this year, the production facilities of this sector have more than doubled and the number of machines has reached 15,000.

In spite of this, large synthetic-fabric makers such as the Tonguk Trading Company, Kapulsongan Textiles, Ltd., etc., while even increasing the rates to subcontracting firms for employee hiring and processing, are inducing them to change their production facilities to this sector.

Kim Song-nak, deputy director of the Korean Textile Export Union, is predicting that if this trend continues, during the first half of the year, jacquard fabric production facilities will reach the level of about one-fifth--or 20,000 machines--of all weaving machines in the country.

If that happens, there is a concern that a drop in the export price due to excessive competition and a movement toward restrictions on imports from all countries will be brought about.

The winds of exports are also blowing strongly in the textile-products sector. So far this year, the export of such textile products as sweaters, jackets, blouses, etc. is increasing to its limit.

The actual export results of these products as of the end of February (based on the recommended criteria of the Textile Products Export Union) is estimated to be at least approximately 30 percent more than the same period last year.



It appears that the growth in exports to the EC, etc. of the European area and to the United States is most striking.

Those connected with the industry are in agreement that this is because with the strength of the yen, buyers from these areas are changing their source of supply from Japan to Korea.

Even though we say the activity of the textile industry is this or that, this is actually being experienced in the Taegu area, the city called a textile city. Lately, this locality is facing the biggest boom since entering the 1980's.

Last January, the actual export results of this area's 3,455 businesses rose to \$258 million, 25 percent more than during the same month the previous year. The rate of operations as of the end of January also recorded its highest level since 1980, 75.7 percent.

The visits of buyers flying in from the Middle East, Europe, and other areas is also continuing.

Even Korean general merchants are competitively flocking here, presenting unprecedented conditions, and straining to grab contracts with companies. Such signs even elicit the feeling that the textile industry in Taegu is being driven to a situation of overheating.

The effects of a strong yen go beyond creating a boom mood in the industry. Desirable phenomena linked to an improvement in profitability and endeavors to develop technology are also being discovered here and there. Persistently rising export prices ever since last October are supporting the industry in these kinds of endeavors. The export price per unit is somewhat different for different items, but, at the end of February, they have already risen by an average of 10 percent.

In the case of Chungnam Spinning, they have raised this an additional 5 percent, etc., and the rise in the export price is still continuing.

It is predicted that this, along with the phenomenon of the fall in the price of oil, will, by means of an improvement in profitability, take the decisive role in improving the financial framework of the industry.

Such expectations are also expressed in the management goals of the industry. Essential textile production industries such as Hanil Synthetic Textiles, Tongyang Nylon, Korong, Cheil Synthetic Textiles, etc. have increased their sales and export goals for the current year by 10-30 percent and 10-25 percent, respectively, over the last year.

Furthermore, in connection with the modernization of facilities, development of technology, etc., each of the four companies--Tongyang Nylon, Korong, Songyong Synthetic Textiles and Cheil Synthetic Textiles--will invest more than 40 billion won this year.

It is clear that the strong yen and the drop in oil prices are pushing the textile industry into a boom atmosphere.

But negative aspects are also present. A fall in the price of exports which follows excessive competition, negligence in buyer administration, etc., are the main examples.

"We must rid ourselves of the attitude wherein, just because there is a great domestic and foreign demand, the industry can take it easy, sitting back and doing business. Because we are faced with such a time, we must work hard to change old facilities to new ones, hurry to develop technology so as to enhance our competitiveness, and reform our export system so as to prevent a drop in prices ahead of time.

"Only then, I think, can the textile industry build the foundation from which it can leap forward again."

Nothing more needs to be added to these words of Chong Su-chong, managing director of the Textile Production League.

#### Automobile Industry

Seoul HANGUK KYONGJE SINMUN in Korean 6 Mar 86 p 1

[Article by Sim Sang-min: "The Automobile Industry"]

[Text] This year is indeed one that can be recorded as a meaningful year in the history of the Korean automobile industry.

This is because Korean-produced automobiles for the first time are being exported to the U.S. market, the home of the automobile, and are being sold by dealers in the field.

With this, there is every sign that the die which will determine the future of our automobile-manufacturing industry have been cast.

At this point in time when, in this way, Korean-produced automobiles are taking their first steps into the U.S. market, it is anticipated that the opportuneness of a strong yen and the low price of oil will contribute much to the growth of this sector.

There is a prospect that the reduction in the price of oil will bring about a savings in the cost of fuel and that this will function as one factor in psychologically elevating the attractiveness of purchasing an automobile.

The same goes for the domestic market where the number of automobile owners is still small when compared with the level of national income.

It is anticipated that the size of the domestic market, which last year surpassed 250,000 cars, will, aided by a reduction in the price of oil, reach the 300,000 level before the year is out.

When considered with regard to the fixed establishment of a base in the U.S. market, the market with the largest demand for automobiles in the world, this can truly be called a condition which will lead to an improvement in the business environment.

In connection with problems our automobile industry will have in succeeding in attaining a foothold, and increasing the number of cars sold, in the U.S. market, we will not be able to avoid competing with the Japanese automobile industry. Last year Japan produced 12,470,000 automobiles, including 7,640,000 passenger cars, and exported more than half--6,730,000--of them. It can truly be called the largest producer and exporter of automobiles in the world.

They have reached the level where, as concerns production, they have, by a small margin, surpassed the United States, which produced a total of 11,650,000 automobiles, including 8,180,000 passenger cars, and where, in the case of exports, they do not allow others to follow.

The competitiveness of mid-size and small-size cars in this present Japanese automobile industry is especially great.

At present, Japan is voluntarily restraining the number of passenger cars demanded for export to the United States to the level between 10.5 million and 11 million. It has been reported that because of these voluntary restraints together with the phenomenon of a strong yen, the automobile industry of this country is faced with a situation where it can achieve the usual profit only by raising export prices, and consequently, to the extent possible, they are endeavoring to export medium-size cars, the cars with a higher margin.

From the point of view of our industry, which is in the beginning stages of exporting to the United States, such conditions are very advantageous.

"At this juncture, a time not long since we began selling the Excel passenger car in America, international conditions are, fortunately, working to our advantage.

"Looked at from the side of maximizing profits, Japan is of the opinion that, to the extent possible, it must sell more mid-size cars, cars with high prices and good margins."

This is what Kim Song-yuan, the vice-president of Hyundai Automobile, said. In the case of Hyundai, which is opening up a new market lately, they are busily operating without rest in producing automobiles for export and the domestic market.

"Since we began to sell the Excel, the Big Three of the United States have also taken an interest in and a movement to deal with it, wherein it was reported that Chrysler lowered the price of its small cars and GM will watch the sales trend of the Excel for 3 or more months and will consider an adjustment in selling prices, etc., has appeared.

Vice President Kim explained the latest trends in the U.S. market in this way. The establishment of a fixed market for the Excel in the United States and international economic conditions cannot but be of great concern to Daewoo Automobile and Kia Industry, both of which will, following Hyundai, and expand next year into the United States.

From the second half of this year, Daewoo will produce the World Car and plans to introduce a 1500-cc version on the domestic market and export a 1600-cc version to the United States through its joint-venture partner, GM.

Also, Kia will produce a 1300-cc passenger car around the end of the year, delivering it to the domestic market from next year on, but it is also making preparations to expand into the U.S. market via the Ford sales network.

On the one hand, together with complete cars, the conditions for the export of automobile parts is improving.

With the prospect that, in the future, Korea will surface as a competitive and promising supply country for automobile parts, a trend toward the continuing expansion of joint ventures with foreign countries is apparent.

In order to procure competitive automobile supplies from Korea, the Big Three--GM, Ford, and Chrysler--are already constructing joint-venture factories or promoting them.

Permanent showrooms established by the Automobile Union in Chicago, and in Paris, France, as advance export bases for these automobile parts are presently busy. In the case of the Chicago showroom, during last January, contract results numbered 6 with a value of \$500,000, an increase over the same period last year when 5 contracts with a value of \$220,000 were drawn up, visits by buyers increased from 15 to 30 people, and inquiries rose from 51 to 63.

"As for the actual results of contracts from the show rooms, last year Chicago garnered \$6,370,000 and Paris garnered \$1,190,000, and this year a goal of \$10 million each has been set."

This is what Pak Chung-nam, department chief of overseas operations of the Automobile Union, said.

But, in contrast to this bright side, the strong yen phenomenon is making us shoulder the large burden which results from the importation of parts and materials we rely on Japan for.

"Taking the international economic conditions of late as our opportunity, the completed automobile industry and parts industry must become one and concentrate their efforts more than ever on a conversion to the domestic production of parts."

Ko Mun-su, director of the Automobile Union, repeatedly stressed the importance of accelerating the conversion to the domestic production of parts.

The automobile industry indeed, as an integrated machine industry, has a far reaching effect on related industries, and, accordingly, it is expected that the influence it will have on the national economy in the future will be great.

If we look at things this way, the various phenomena of late are indeed a once in a lifetime opportunity we should not miss. Now, there is an urgent demand for a greater exertion on the part of those involved in the automobile industry.

#### Petrochemical Industry

Seoul HANGUK KYONGJE SINMUN in Korean 7 Mar 86 p 1

[Article by Sin Yun-sop: "The Petrochemical Industry"]

[Text] There are few types of businesses where the benefits and disadvantages of the strong yen and the drop in the price of oil so clearly cross paths to the extent they do in the petrochemical industry.

Lately, the situation is one where those connected with the petrochemical industry are laughing in the face of the drop in the international price of crude oil but crying in the face of a strong yen.

The great reduction in the cost of utilities and raw materials which are linked with the international price of oil is the brightest effect.

On the other hand, due to the strength of the yen, this industry, which is borrowing more money from Japan than other types of industry, is incurring a loss in the increase in the principal and interest shouldered. The petrochemical industry is an integrated industry where the cost of raw materials occupies an 80 percent portion of basic costs.

Accordingly, the cost of raw materials is precisely what functions as the pivotal element in determining competitiveness.

Domestic petrochemical industries are using naphtha, a product of the refining of crude oil, as a raw material.

But, in the case of oil-producing countries, they are using less expensive natural gases such as ethane, etc. as a raw material.

Because of such a shortcoming in the structure of basic costs, we have fought a losing battle with oil-producing countries such as the United States, Saudi Arabia, etc.

But the situation as of late is changing.

Because of the continuous drop in the price of crude oil, the difference in price between naphtha and ethane gas is narrowing.

Up until the end of last year, the price of naphtha--at \$252 a ton--was \$70 higher than ethane gas, but so far this year, this had continued to drop and the gap has now been reduced to \$17.

Even so, the uses of naphtha are wider ranging and the yield of naphtha higher than those of ethane.

In spite of this difference in price, it is also calculated that, on the basis of heating capacity, naphtha is cheaper.

Chon Hyong-sik, managing director of the Korean Petrochemical Industries Association, said that "if we calculate the price of naphtha and ethane on the basis of heating capacity, then in March, ethane, which is \$2.40 per 1 million BTU's, is, on the contrary, more expensive than naphtha, which is \$2.20 per 1 million BTU's."

Because our country raises and lowers the price of naphtha in accordance with the international market price, this effect is felt completely intact by the industry.

So far only this year, the government has, in a series of three steps, lowered the price of naphtha about 40 percent.

Translated into monetary terms, this has meant a drop from 159 won 51 chon per liter as of the end of last year to 94 won 16 chon at the present time. "This is the biggest present that the drop in the international price of oil has brought to the petrochemical industry.

"In this way, this will contribute to elevating the competitiveness of finished petrochemical products and frontline industries such as textiles, shoes, tires, and other industries which use these products as raw materials."

This is what Chon Man-huan, the executive director of Dae Han Petrochemicals, pointed out.

The dominant idea in the industry is that this drop in the price of naphtha will pull down the price of finished domestic petrochemical products and demand will increase over what it is at present.

The positive effects of the drop in the domestic price of oil on the petrochemical industry are not insignificant.

With an adjustment in the electricity rates and the price of Bunker C oil, the industry sees a total annual reduction of 15 billion won (in utility fees), including 4 billion won at YuGong, 1.5 billion won at Lucky, 500 million won at DaeHan Petrochemical, 300 million won at HanYang Chemical, etc. On the one hand, the strong yen is placing a heavy burden on the back of the industry.

Because of joint ventures with Japan and the introduction of facilities which follow, petrochemical industries are using more yen loans than other types of industry.

As of the end of last year, the balance of these loans for this industry was approximately 20 billion yen.

The industry is estimating that the loss resulting from the difference in the exchange rate will reach 20 billion won this year alone.

Accordingly, around November of last year, some companies endeavored to pay back their loans with a lump sum payment before the value of the yen rose any higher, but such endeavors fell through with a refusal on the part of the Japanese.

The damage resulting from the strong yen is also apparent in trading between the two countries.

The degree of self-sufficiency of finished petrochemical products is around the 75 percent level, and in the case of last year about \$800 million worth was imported.

Of this, \$300 million worth of synthetic-fiber raw materials such as TPA-Caprolactam, basic raw materials, etc. were imported from Japan. Importing synthetic-fiber raw materials cannot be avoided because domestic-production facilities are greatly insufficient, and in the case of some basic raw materials not produced at all.

The industry is also worrying that here too the strong yen will be a heavy burden on the industry.

With such concerns, a somewhat positive effect of the strong yen is appearing in exports.

That is, orders for PVC, PS, and other products with export strength are increasing.

The largest domestic PVC industry, Lucky, has already signed contracts to send 30,000 tons of PVC resin to Japan and India the first half of the year, and Korean Plastics has signed a contract to send 30,000 tons of resin to Japan. The export quantity of these two companies is a 150-200 percent increase over the same period last year.

On the other hand, a secondary effect--even though temporary--of the low price of oil is also spreading through this industry.

Because manufacturing industries and the final consumers are anticipating that prices of goods will continue to fall and are thus avoiding purchasing transactions concerned with domestic consumption are almost nil.

It is a matter of grave concern when, to the extent that the prices of goods fall and in the future demand does not increase, it is certain that gross exports will diminish, and because this, when combined with even the lack of understanding among some consumers, results in no sales of goods.

30 May 1986

This is the complaint of a person in charge of sales for Company A, a general petrochemical industry.

### Steel Industry

Seoul HANGUK KYONGJE SINMUN in Korean 8 Mar 86 p 1

[Article by Sim Sang-min: "Iron and Steel"]

[Text] It is anticipated that even though the demand for iron and steel in developed countries will probably decline, since there is a prospect that it will increase in developing countries, on the whole, the demand for iron and steel in the free world will stay at the same level as last year.

Our country is standing in the ranks of those countries where demand will increase.

In our case, there is a prospect that the domestic demand this year will surpass 10 million tons, a 7 percent increase over last year. This is because there are expectations for growth in industries that demand steel such as the automobile, electronics, and machine industries.

The prospect of this increase in domestic demand for iron and steel, a product of a materials industry, is not unconnected to recent improvements in the condition of the economy such as the drop in the price of oil, etc.

On the other hand, as concern exports, the situation is one where quantitative increases are difficult because of a strengthening of trade protectionism by developed countries, a drop in demand, etc.

The United States by means of negotiations with the major iron- and steel-supplying countries of the world, has already limited the amount that can be exported to its market.

Our country is also in the process of carrying out voluntary restraints which fix the number of exports in line with any increase or decrease in the consumption of iron and steel in the United States.

There is a prospect that exports to the United States for this year, the second fiscal year, will stop at the 1,617,000-ton level, 5.6 percent less than last year. Out of this, there are decreases of 4.4 percent in sheet steel, 11.4 percent in steel pipes, and 6.1 percent in steel rods.

This decrease in the export quota to the United States occurred because the forecast for iron and steel demand this year by DRI, an American statistical research organization, was 87.1 million tons, 6.1 percent less than last year.

These U.S. import restrictions are even influencing other areas.



Once the major iron- and steel-supplying countries were limited in their exports to the United States, a dumping phenomenon appeared in the markets of Southeast Asia and other places, and the price is presently mired in the weak range.

While it is being forecast that the exports of iron and steel will hover around last year's level, the prices in the United States and Japan are rising. In the case of the U.S. market, the price, which the last half of last year showed a downward trend, is recovering due to a combination of the effects of import restrictions, of the strong yen, etc.

On the one hand, when compared to the 4th quarter of last year, lately the offer price of the 2d quarter rose about 5 percent each for hot coils, cold-rolled sheet steel, etc.

This price shift is lower than the level during the 1st quarter of last year, and even when compared to the 2d quarter of last year it is a little behind.

However, from the second half of last year, the price has been recovering, even if only a little, and with the strong yen, the iron and steel industry is showing that it is enhancing its price competitiveness.

It is anticipated that, buoyed by such circumstances, exports to Japan, Europe, etc. will increase somewhat, and, as regards the amount exported generally speaking, last year's level will be maintained.

With the recovery in price, profitability will improve and an expansion in the monetary value of exports is also expected.

If we look into it, it is noteworthy that the estimate of an iron and steel export goal for the current year of \$2.8 billion, an increase of 4.7 percent over last year, is also based on an improvement in recent economic conditions.

"With the improvement in economic conditions that followed the drop in the price of oil and the strengthening of the yen, it appears that the market for the iron and steel industry will be better than last year.

"The domestic demand for cold rolled products will increase by more than 10 percent, and if we move forward positively in exports it appears that we will be able to maintain a level greater than last year."

These are the prospects that Chong Chae-dok, the president of United Iron and Steel, sees for the iron and steel market.

Surely enough, the strength of the yen is substantially shaping the condition for exports in a favorable way.

"The prospects for exports this year are brightening. While making the most of this opportunity we must also make preparations for any future changes in circumstances."

That is what Kwan Byong-yong, executive director of Tongguk Steel Works, said. The phenomenon of the sudden change in the exchange rate is becoming another stimulus in the conversion to a multilateral export market.

"Buoyed by the recovery of export prices, an improvement in profitability is forecast. In the future, we must further concentrate our energy on the conversion to multilateral markets in Europe that were depressed.

Kim Song-hun, president of Korea Steel Pipe, emphasized endeavoring to take advantage of "given conditions."

But, as in other sectors, so too in the case of iron and steel materials for which we rely on Japanese imports, the phenomenon of a strong yen is placing a like burden on our shoulders.

Because of this, the conversion toward domestic production of high-grade steel materials is being promoted and the conversion to multilateral sources of supply is also being concretely investigated.

Also, the elevation of added value by surface treatment, exports of expensive finished products, and endeavors to develop non-restricted items and the market are being stressed even further.

"We are using the economic environment of a strong yen, the low price of oil, etc. to our advantage to the greatest extent possible and are striving to increase exports. Taking into consideration the fact that the iron and steel industry is a basic materials industry, from the long-term perspective, we must labor for a strengthening in international competitiveness brought about by rationalization and development of new products."

Kim Hak-gi, vice chairman of the Iron and Steel Association, stressed that we must more wisely use recent economic conditions to our advantage and labor to strengthen the constitution of the industry.

He is perfectly correct when he says the present industry must move away from a mass production system which emphasizes ordinary steel and concentrate its energy on specialty steels while pursuing conversion to lightweight, high-grade, and high-functioning products.

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N. KOREA/POLITICS AND GOVERNMENT

ACHIEVEMENTS UNDER LEADERSHIP OF KIM IL-SONG, KIM CHONG-IL

Pyongyang MINJU CHOSON in Korean 10 Oct 85 p 1

[Editorial: "The Korean Workers Party's 40 Years of Victory and Glory"]

[Text] It was 40 years ago that the glorious Korean Workers Party was founded. In its historic course our party has been further consolidated organizationally and ideologically, and its militant power and leadership have been matchlessly strengthened.

Today, in the solemn environment in which the authority and prestige of the party have been enhanced more than ever, and the great advance is being made in the chuche revolutionary cause under the party's leadership, we are significantly marking the 40th anniversary of the founding of the party.

Our party is the general staff of the Korean revolution and the political leader of our people. With full responsibility for the Korean revolution and the destiny of our people, our party is leading with confidence the cause for the chucheization of the entire society to the sole path of victory. It is glorified as the greatest achievement of the respected and beloved leader, Comrade Kim Il-song, before the fatherland, the people, the era, and the revolution that he has organized a great party with ever-victorious invincible power and leadership and has thus successfully carried out the great cause for building a revolutionary party.

From the early period when he started on the path of revolution, the great leader, Comrade Kim Il-song, entertained a great idea of building vanguard organizations of the revolution. In 1926 he organized the Anti-imperialist League, the first true communist organization in our country. Then, in the summer of 1930 he organized the first chuche-type party organization composed of communists of a new generation. Thus he laid a firm foundation for the founding of the party in the midst of the stern anti-Japanese fire.

Based on the achievement and experience he personally accomplished during the anti-Japanese revolutionary struggle, on 10 October 1945 the great leader, Comrade Kim Il-song, completed the feat of founding the party.

The founding of the Korean Workers Party was the birth of a chuche-type party, a new type of revolutionary party with the chuche ideology as the

guiding ideology, and this was the fruition of the difficult struggle of the Korean communists for the founding of a party for a long period of time. When our party was founded, our working class and working masses came to have their vanguard troops and the general staff of the revolution. And under the leadership of the party they were able to blaze the path for the construction of a new society with victory. Truly, the founding of our party was a historic event which brought about fundamental changes in the socio-political life of our people and in the development of our revolution. From then on in our history and the development of the Korean revolution a new era, the glorious era of the Workers Party, glistening with great reforms and creations, began to unfold.

The great leader, Comrade Kim Il-song, taught us as follows: "Since it declared its founding, our party has traversed these 40 years since then until now on a stern yet glorious path of the revolution and has amassed great achievements that will be long glorified in history."

Flying high the banner of *chuche* since its founding, our party has traversed the glorious path of the revolution. This course has been a history of struggle to implement completely and to defend firmly the leader's revolutionary thought. And it shines as an epic course that has fundamentally altered the position of the fatherland and the position of the people, and that has prepared great golden days of prosperity. On that path brimming with sturdy struggles and great victories our party has amassed immortal achievements that will shine in the century and has grown and strengthened itself with iron-clad unity and rich experience. Through this sacred struggle the organizational and ideological base of our party has been firmly consolidated and a permanent foundation for strongly carrying on the lifeline of our party has been laid. Because a firm guarantee for clearly maintaining the revolutionary character and image as a *chuche*-type party and for completing the revolutionary cause to the end generation after generation has been provided, the 40 years of our party have been proud ones.

Since the first days of the founding of the party, our party has been able to defend firmly and guard the great tradition of unity and solidarity that it has achieved in the course of bloody struggle to pioneer the destiny of the fatherland and the people, and our party has waged an uncompromising struggle to overcome the factionalism that has been historically handed down and to reject all forms of opportunism. Thus, the unity and solidarity of the party have been endlessly solidified and developed in the course of a long history to reach the highest level nowadays.

The unity and solidarity of our party are firm, based on the unbound respect and absolute trust of all the people toward the party and the leader. In the rewarding struggle to implement the program for the *chuche*ization of the entire society under the leadership of the party, all our party members and workers have experienced with their hearts the greatness of the party and the wisdom of its leadership, and they have firmly united themselves around the party with revolutionary conviction and a sense of obligation. Thus old revolutionaries who have fought since the days of the anti-Japanese revolutionary struggle, veteran party members who, flying high the banner of the

party since the day the party was founded, have uprightly followed the sole path of the revolution, and young party members and all workers who have grown up in the rewarding struggle to build a new fatherland are united firmly around the party Central Committee with one ideological will and are protecting and guarding with their lives the party and the leader politically and ideologically. The party trusts the masses of people, and based on this the people completely support and trust the party and entrust the party with their destiny. This is the revolutionary relationship between the party and the people that is bound in blood.

The unity and solidarity of the party tempered in the storm of the stern revolutionary struggle are becoming firmer and more unshakable at its center, with its political and ideological purity being firmly guarded. It is our great pride and happiness that we have a steely party which has achieved such great unity and solidarity.

The 40 years that our party has traversed are proud ones, during which time the party has grown and strengthened itself into invincible fighting ranks.

The path that our party has traversed is a stern course of struggle without match in its complexity and arduousness. However, our party has overcome all severe ordeals, has invariably defended its revolutionary character, and has carried out, with a perspective, the task of solidifying the party.

In the midst of the fierce struggle against class enemies at home and abroad and opportunists of all hues and stripes, our party has solidified its ranks organizationally and ideologically and, in the midst of the storm of the revolution, has acquired invincible combat capability. Thus, in the 1970's in the wake of the 1950's and 1960's, our party entered a new stage of its development. Today our party has grown and strengthened itself as the great organizer and leader of the chucheization of the entire society and as the invincible fighting ranks more than ever in its ideology, organization, and ties with the masses.

Today within our party an orderly work system and revolutionary discipline are established to guarantee firmly the leadership for revolution and construction and also a revolutionary character in which the entire party thinks and acts as one in accordance with the decisions and instructions of the party. Our party is fully proud of itself as a powerful revolutionary party that, with refined leadership, breaks through any and all difficulties and ordeals and leads the revolutionary struggle to victory, as a vibrant party that brimming with vigor and passion struggles and advances forward, and as prestigious vanguard troops of the international working class.

In the history of our party there has not been a time like today when our party is deeply rooted in the masses and its leadership authority and prestige are enhanced.

The 40 years that our party has traversed are rewarding ones which have achieved the reform of the century in all fields of revolution and construction.

The 40 years are not such a long period in the history of the communist movement. However, during this short period our party has led the Korean revolution at the forefront and has accomplished much in the struggle for the prosperity of the fatherland and for the happiness of the people.

Our party has blazed the matchlessly arduous and complicated revolutionary path and has successfully carried out social revolution in two stages to build the most advanced socialist system on this earth. And our party has transformed our poor and backward country of the past into a socialist power with self-determination, independence, and self-defense and has unfolded a great flourishing era of chuche Korea.

As the great leading force of the Korean revolution our party has taken general hold of tasks in all fields, including nation-building, economic and cultural construction, and military power construction; it is implementing unique lines and policies for the strengthening and development of these tasks and is wisely leading them to achieve an endless advance without even a slight delay or standstill. Thus in the struggle to implement the grand programs for socialist construction proposed by the Sixth Party Congress, epoch-making advances are being made, and long-term creations are being established everywhere in the fatherland.

Holding high the banner of the three major revolutions--ideological, technical, and cultural--at the forefront our party is leading the struggle to implement the programs for the chucheization of the entire society. Under the wise leadership of the party, revolutionary transformations are being achieved in all fields of politics, economy, education, science, literature, and art, and endless advances are being achieved in the struggle to conquer the ideological and material fortress of communism.

Our party has resolutely struggled to realize the independent peaceful unification of the fatherland and has made great contributions to advancing the anti-imperialist independence cause and the world revolution.

Truly, the 40 years that our party has traversed have been such glorious ones that it has completely acquired an image as the chuche-type party and it has grown up and has been strengthened to become the most authoritative and greatest party of our era. And the 40 years have been the years of creation and reforms that have courageously won over a series of difficulties and ordeals and have victoriously pioneered the advancing course of socialism and communism.

It has been possible with the wise guidance of the great leader, Comrade Kim Il-song, and the glorious party center that during the past 40 years our party has overcome the arduous ordeals, has grown up and strengthened itself as an invincible force, and has made great revolutionary achievements before the fatherland and the people.

The great leader, Comrade Kim Il-song, who is the founder and leader of our party, has solved all problems faced in the party-building in an independent manner to suit the real situation of our country and the aspirations of our

people. And he has devoted all his efforts for the strengthening and development of our party as the militant vanguard of working masses and the political leader of the Korean revolution.

Throughout the entire course of guiding the revolutionary struggle and construction, the beloved leader, Comrade Kim Chong-il, has always sought the key to all victories in strengthening the party, has presented original ideas, theories, and policies for the building of a revolutionary party, and has energetically guided so as to implement them thoroughly. Thanks especially to the energetic guidance of beloved Comrade Kim Chong-il who, in a manner appropriate to the demand of the new stage of the revolutionary development in which the historic cause for the chucheization of the entire society has come to the fore, has proposed the chucheization of the entire society as the general task of party-building and has organized and led the struggle to implement it, the course for building a revolutionary party in our era has been brilliantly pioneered, and our party has acquired enormous dignity as a powerful chuche-type party. In the entire party and the entire society the party's unitary ideological system has been firmly established. The combat function and leading role of the party have been extraordinarily strengthened. In party work and party activity, fundamental shifts have been achieved. All these proud successes are the precious fruits of the wise guidance of the party and the leader.

Today, our party faces the heavy task of completing to the end the chuche revolutionary cause under the guidance of the party.

Comrade Kim Chong-il, a member and secretary of the Standing Committee of the Politburo of the Party Central Committee, pointed out as follows: "Today, our party faces the heavy revolutionary task of accelerating the chucheization of the entire society and of realizing the cause for the unification of the fatherland. No matter what difficulty may lie on the future path of the revolution we must unify the fatherland by all means and complete the goals of the chuche revolutionary cause generation after generation. In order to do that, we must endlessly strengthen the party and raise its guiding role." ("The Korean Workers Party Is a Chuche-type Revolutionary Party That Has Inherited the TD Tradition," Single-volume Publication, p 31)

The party is the powerful weapon for revolution and construction. All the struggles for the chuche revolutionary cause are being organized and led by our party. For this reason, it is the prerequisite to the victory of the revolutionary cause to uphold the guidance of the party.

From the time our revolution started, Korean communists have entertained the conviction that only if they had the great leader, Comrade Kim Il-song, at the forefront, they would victoriously blaze the way for revolution and entrust the great leader, Comrade Kim Il-song, with their destiny, and they have lived with this complete loyalty to the party every moment. It is the just obligation and lofty duty of our party members and workers, who have inherited precious political lives from the party and who are enjoying endless happiness, to emulate the lofty models of the anti-Japanese revolutionary forerunners and to support the guidance of the party.

All functionaries and workers must arm themselves firmly with the revolutionary ideology of our party, the ideology and theory of the beloved Comrade Kim Chong-il, deeply master the greatness of the party, the wisdom of its leadership, and its immortal achievements and think and act anytime anywhere in accordance with the ideological will of the party. Functionaries and workers must acquire the firm political conviction that they know only our party, resolutely protect and guard the party, and without even slight wavering under any circumstances sincerely trust and follow the party and remain loyal to the party on the sole path directed by the party. When the entire people push our party to the center of unity and solidarity and uphold it, they can achieve greater advances in all fields of revolution and construction and further accelerate the victory of the revolutionary cause.

The guidance of our party for revolution and construction is implemented through the struggle to carry through the party's lines and policies, and it is the sacred duty of our party members and workers to carry through unconditionally and thoroughly the decisions and directions of our party.

All functionaries and workers are required to establish thoroughly the revolutionary character to accept as absolute truth the party's lines and policies and the decisions and directions of the party, and to implement them to the end unconditionally and thoroughly without an iota of deviation. Thus, they must brilliantly implement the ideas and intentions of the party by consistently adhering to all policies proposed by the party and implement them to the end.

It is the important duty that the people's regime faces today to step up the socialist economic construction and to struggle for the improvement of the people's livelihood under the banner of the three major revolutions.

People's power organs must profoundly recognize their sacred mission before the party and the revolution, further improve economic guidance and enterprise management, and mobilize and utilize to the maximum all internal reserves and production potential so as to achieve new transformations in the struggle to scale in advance the 10 long-term objectives of socialist economic construction that the Sixth Party Congress has proposed. At the same time, they must see to it that the concerns of our party reach the people more effectively and that they fulfill their proper duties as household heads responsible for the livelihood of the people by vigorously waging the struggle to improve the housekeeping of the nation and the material-cultural life of workers.

The unification of the fatherland is the supreme national wish of the Korean people and is the most important revolutionary duty that our party bears. All functionaries and workers must continue vigorously to wage the struggle to realize the independent peaceful unification policy proposed by the party and to open a bright future of the nation.

Upholding high the foreign policy of the party, we must strengthen friendship and solidarity with the socialist nations and the revolutionary peoples of the world led by the nonaligned nations and actively wage the struggle to guard the peace and safety of the world.



Today, we have a vast perspective before us, and our revolutionary struggle is becoming a more rewarding one.

Before the future path of our people following the wise guidance of the party will be only victories and glories.

All are urged to rally firmly around the Party Central Committee led by respected and beloved Comrade Kim Il-song, to hold high the revolutionary banner of the chuche ideology, and to march forward more vigorously for the victory of the revolutionary cause.

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NODONG SINMUN EDITORIALS FOR AUGUST 1985

[Editorial Report] The following editorials appeared in Pyongyang NODONG SINMUN in Korean during August 1985:

Pyongyang NODONG SINMUN in Korean on 2 August 1985, at the upper right of page 1, carried an editorial entitled "Cherish State Public Property Month." The editorial notes that every August-September is "Cherish Public Property Month" and that all must bring about a new transformation in cherishing public property on the occasion of the 40th anniversaries of national liberation and the founding of the party; it praises the transportation workers in the Pyongyang No 1 long-distance truck transportation unit for the devotion and respect they have shown for their trucks which are the country's treasures; it states that now is the time for drawing up a critique of the status of devotedly caring for fixed property during the previous period and for setting distinct goals to be followed during this period; it asks the Central Bank to keep accurate records of fixed property and to process and manage them well; it calls upon the economic sector and all factories, enterprises, and organizations to restore their broken-down equipment to their original state and perform maintenance and repair on all their machinery, remodeling them technologically where necessary, mobilizing internal reserves, and conserving raw materials; and it calls for the widespread organization of socialist competition during this period and for the factories, enterprises, and party organizations to elevate the role of trade unions and farm unions and to set up and publicize model units so that all will cherish their machinery and bring about an innovation in production.

On 3 August 1985, at the lower left of page 1, the paper carried an editorial entitled "Let Us Expand and Develop the Results of the Production of 3 August People's Consumer Goods. "[Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 151, 6 Aug 85 pp D 9-11: "Expanded Consumer Goods Production Urged."]

On 6 August 1985, at the upper right of page 1, the paper carried an editorial entitled "Let Us Better Maintain and Manage Cultural Relics." [Text summarized in KOREAN AFFAIRS REPORT, JPRS-KAR-85-062 11 Sep 85 pp 71-72: "NODONG SINMUN on Preservation of Cultural Relics."]

On 8 August 1985, at the lower right of page 1, the paper carried an editorial entitled "Voices of Solidarity." [Text published in FBIS Asia

and Pacific DAILY REPORT Vol IV, No 156, 13 Aug 85 pp D 13-17: "Paper Marks Close of Anti-U.S. Struggle Month."]

On 9 August 1985, at the lower right of page 1, the paper carried an editorial entitled "Let Us Launch Many More Fishing Boats." The editorial notes that the party has set forth the goal of producing 5 million tons of fisheries to elevate the nutrition of the people quickly which requires more widespread preparations for catching more fish on both the east and west coasts; it states that fishing boats are the armament of the fisherman and a sufficient number of both small and large fishing vessels must be built to take advantage of the vast fishery resources of the country; it calls for the ship industrial sector to build both large and small fishing vessels, including 3,750-ton vessels, operations, transport, and freezer vessels; it states that in order to achieve the fishing boat launching goals, the functionaries in the Fourth Ministry of Machine Industry to take full charge of the launching capacity of shipyards, send down designs for large and small fishing vessels, and go down to the shipyards and supervise construction and settle all problems they encounter; it emphasizes that the ship-launching assignments from the committees and ministries in the administration council are to be considered as legal assignments which must be unconditionally accomplished; it urges iron and steel complexes such as the Kimchaek Iron Works to abide by Kim Il-song's instructions to bring about an innovation in iron and steel production by organizing a struggle to produce more iron and steel and send them to the ship launching sites; and it exhorts the machine industrial sector and other sectors involved to expedite production of ship engines and equipment and deliver them on a timely basis so as to prevent any delay in launching the fishing vessels and thereby provide a large amount of fish for the nourishment of the people.

On 15 August 1985, on the lower three-quarters of page 3, the paper carried an editorial entitled "The 40 Years of a Rewarding Struggle and Prosperity Which Our Fatherland Has Traversed." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 161, 20 Aug 85 pp D 1-7: "NODONG SINMUN Editorial on Liberation Anniversary."]

On 16 August 1985, at the lower left of page 1, the paper carried an editorial entitled "Emissary of Friendship from the Mediterranean." The editorial extends a warm welcome to her excellency, Agatha Barbara, president of the Republic of Malta who arrived in Korea on this day at the invitation of President Kim Il-song; it recalls that President Barbara forged ties of friendship on her previous visit to Korea in April 1982; it states that the relationship of friendship and cooperation between the two peoples of Korea and Malta are further strengthened and this encourages the Korean people in their struggle to bring about the peaceful reunification of the country; it notes that Malta is called the "gateway to the Mediterranean" and occupies an important position both geographically and strategically and that the government of Malta has expelled the "NATO Mediterranean Headquarters," disbanded the military bases of the imperialists, and prohibited the U.S. imperialist aggressor 6th Fleet and other imperialist aggressor fleets access to Maltese ports and use of port facilities; it praises Malta for the measures to promote a national industry, solve unemployment, and guarantee health

services to all; it emphasizes that Malta is a member of the nonaligned bloc, has become a nuclear-free territory, and is striving to defend and protect peace and security in Europe and the Mediterranean; it states that in May of last year, the government of Malta closed down the South Korean "Honorary Consulate General" and has ceased all contact and exchanges with South Korea; it expresses gratitude for Malta's support of the tripartite talks and North-South parliamentary talks; and it concludes with heartfelt wishes for a pleasant stay in Korea to President Barbara and delegation.

On 21 August 1985, at the bottom of page 1, the paper carried an editorial entitled "Let Us Brilliantly Greet the 40th Anniversary of the Founding of the Party by Continuously Maintaining the Spirit That Has Increased As a Result of a Great Political Festival." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 165, 28 Aug 85 pp D 10-13: "Editorial on Tasks in Greeting Party Anniversary."]

On 22 August 1985, at the upper right of page 1, the paper carried an editorial entitled "Let Us Vigorously Wage 'The June 1985 Let-one-machine-tool-make-another Movement' As a Whole Party and All-peoples Movement." [Text summarized in KOREAN AFFAIRS REPORT, JPRS-KAR-85-062, 11 Sep 85 pp 61-62: "NODONG SINMUN Stresses Production of Machines"]

On 28 August 1985, at the lower right of page 1, the paper carried an editorial entitled "Emissary of Friendship of the People of Zimbabwe." The editorial notes that Prime Minister Robert G. Mugabe and the governmental delegation from Zimbabwe arrived in Pyongyang on this day at the invitation of President Kim Il-song; the editorial extends a warm welcome to Prime Minister Mugabe and his entourage and notes that Prime Minister Mugabe visited Korea in 1978 and 1980 as well; it quotes Kim Il-song's statement that after gaining its independence, Zimbabwe set out on the path of development as a strong, autonomous, and independent state; it praises the people of Zimbabwe for crushing the destructive and insidious machinations of the imperialists, colonialists, and racists; it notes that the Zimbabwe African National Alliance scored an overwhelming victory in the general election held last July; it praises the government for establishing its first plan for national development, the "Transitional 3-year Economic Development Program," and for turning its attention to agricultural development, saying that "food is the basic key which assures the stability of the country"; it states that Zimbabwe opposes imperialism, colonialism, and racism and supports the struggle for national liberation by the peoples of various areas to gain independence and autonomy and advocates wiping away the antiquated international economic order and establishing a new international economic order in its place; and it concludes by expressing good wishes for a healthful and pleasant stay in Korea for Prime Minister Mugabe and his delegation and hopes that his visit will bear fruit.

On 31 August 1985, at the lower right of page 1, the paper carried an editorial entitled "Nonaligned Movement Will Make a Long Drive Taking Advantage of Victory." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 171, 4 Sep 85, pp D 19-21: "Paper Lauds Nonaligned Movement."]

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N. KOREA/POLITICS AND GOVERNMENT

NODONG SINMUN EDITORIALS FOR SEPTEMBER 1985

[Editorial Report] The following editorials appeared in Pyongyang NODONG SINMUN in Korean during September 1985:

On 1 September, at the bottom quarter of page 1, the paper carried an editorial entitled "Let Us Bring About a New Transformation in Education Work for the New School Year." The editorial notes that the new school year begins after the celebration of the 40th anniversary of national liberation and in anticipation of the 40th anniversary of the founding of the Korean Workers Party; states that schools are now decorating their classrooms and maintaining ample school supplies, experimental equipment, etc. and that all functionaries and teachers in the educational sector are fanning the flames of the education revolution and striving to achieve a new transformation in education work; quotes Kim Chong-il's work, "On Further Developing Education Work," on bringing about the educational revolution and improving the overall quality of education so as to make a greater contribution to scientific and technological development and socialist economic construction; stresses implementing Kim Chong-il's work, "On Further Developing Education Work," and rearing the new generations as communist revolutionary talent endowed with wisdom through the 11-year compulsory education system; calls for specialized classes in universities and colleges such as Kim Il-song University and Kimchaek Industrial College to inculcate advanced scientific and technical skills in the students to enable them effectively to develop and use the vast resources of the country; urges the education sector to strive for endless improvements in technological education systems in accordance with the situation of the country; exhorts the administrative organizations of the committees and ministries in the administration council, province, city, and county to elevate the role of their subordinate factories, enterprises, and support groups and provide the necessary conditions for modern education in the schools; and urges all functionaries and teachers in the field of education to uphold Kim Chong-il's work, "On Further Developing Education Work," to fan the flames of the educational revolution, and to implement more thoroughly this great socialist education thesis.

On 3 September 1985, at the lower left of page 2, the paper carried an editorial entitled "Emissary of Friendship Coming From Burkina Faso." The editorial states that Captain Thomas Sankara, president and chairman of the National Revolutionary Council, arrives in Pyongyang on this day

at the invitation of Kim Il-song; notes that this is President Sankara's second visit to Korea and is the expression of the ties of friendship and cooperation between the two peoples of Korea and Burkina Faso, the strengthening of the nonaligned countries, and the promotion of the cause of anti-imperialism and independence; mentions the successes in economic and social development achieved in Burkina Faso and that Burkina Faso is pursuing the line of maintaining peace through mutual equality within the nonaligned movement and ties of friendship and cooperation with those countries which cherish peace under the principle of non-intervention in internal affairs; and expresses the assurance that this visit of President Sankara will proceed successfully.

On 4 September 1985, at the upper right of page 1, the paper carried an editorial entitled "Let Us Continue To Make a Great Effort in Sardine Processing." The editorial quotes Kim Chong-il's work, "On Further Elevating the Living Standard," concerning the proper maintenance of fisheries processing equipment such as freezing equipment to process the total catch of fish on a timely basis without a single fish rotting or being lost; notes that sardines tend to decompose more rapidly than do other fish and thus must be processed more rapidly; calls for the fisheries sector to perform organizational work to make maximum use of fish-processing mother ships following the example of the Tanchon fisheries station, which performed regular maintenance on their freezing equipment and operated their freezing factories at full capacity; cites the example of the Yonjin fisheries station where the fishermen brought out ice on their fishing boats to preserve the fish and the fish processors were fully prepared to process the fish as soon as the boats came in; calls for the functionaries and workers in the sardine-processing sector to see to it that all the sardines are processed quickly by freezing, salting, and smoking before a single fish decays; emphasizes the necessity for timely production and transportation to the processing sites of materials needed for fish processing; and calls for the transportation sector, including the railroads, to give priority to the transportation of materials needed for sardine processing and thereby enable the sardine-processing battle to proceed more energetically.

On 5 September 1985, at the upper right of page 1, the paper carried an editorial entitled "Let Us Carry out Industrial Management in a Rational Manner." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 173, 6 Sep 85 pp D 6-8: "NODONG SINMUN on Rational Industrial Management."]

On 7 September 1985, at the upper right of page 1, the paper carried an editorial entitled "May All Functionaries and Party Members Further Intensify Study." The editorial notes that study must be further emphasized in order to reap continued success and accelerate the pace of the forward march now underway to mark the 40th anniversary of the founding of the Korean Workers Party; quotes Kim Chong-il on the entire party thoroughly establishing a revolutionary study environment and decisively elevating the political and practical skills of the cadres; calls for party organizations not only to carry out the party study program but to give guidance

to each study group to embody this program; emphasizes the need for group and individual study; states that the objective of study is to raise up the political and practical skills of the party members and workers and enable them to make a greater contribution to revolution and construction; urges the functionaries to take the lead in group and personal study and encourage others through their example; stresses the need for the functionaries and workers to possess a profound knowledge needed to wage the present-day struggle for epochal advances in socialist construction through improvement of economic management and technological development; and exhorts all functionaries and party members to bring about a new transformation in study during the new study year and thereby elevate their political and practical skills and render a positive contribution to revolution and construction.

On 9 September 1985, at the bottom of page 1 with border, the paper carried an editorial entitled "Let Us Achieve the Prosperity and Flourishing of the Republic Through the United Might of All People." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 178, 13 Sep 85 pp D 5-10: "NODONG SINMUN Editorial on DPRK National Day."]

On 11 September 1985, at the left center of page 1, the paper carried an editorial entitled "Our People's Noble Virtue." The editorial quotes Kim Chong-il's work, "On Further Improving and Intensifying Party Ideological Work," concerning the necessity to intensify the indoctrination of youth in communist virtues; states that the people are endowed with virtuous grace and etiquette; calls for all to maintain a virtuous grace and reverence for revolutionary forebears and an affection for one's revolutionary comrades and the people; states that what is important in indoctrination in communist virtues is adherence to communist graciousness and populist etiquette, living and working in accordance with the format and norms of living and strict adherence to public virtue and social order; calls for all units, including production units, traffic and transportation units, and public service units, to expedite indoctrination in virtuous concepts among the masses in accordance with each one's situation so that the workers will become habitual in maintaining public virtue and traffic order; calls for various campaigns to make adherence to norms of virtue and law habitual among the masses such as campaigns to win the title, "Model Education County (City, District)" or "Red Flag of Honor Unit"; and exhorts all to engrave in their hearts the tremendous benevolence of the party and leader and the bounty of the socialist system and obey the law and order of virtuous living thoroughly.

On 12 September 1985, at the upper right of page 1, the paper carried an editorial entitled "Daily Production and Financial Critique at a Higher Level." The editorial states that the party's proposed daily production and financial critique are a powerful means for rationalizing the production and labor activities, raising their efficacy, and expediting production and construction within the work teams and squads which occupy the most important position in national economic development; quotes Kim Il-song on the need for daily assessments in the factories and enterprises of manpower, the status of quota fulfillment, materials conservation, and

participation in accomplishing the three revolutions; emphasizes that one of the purposes of the party's system of daily production and financial critique is the accurate application of socialist allocation principles to heighten the worker's productive zeal; points out that a person who is faithful to the revolution is a person who achieves great results in production and that all party and management functionaries must adopt the critique system as an ironclad work principle and an important constituent in production and management in their factories or enterprise; cites the Anju coal mining district as an example where the coal miners reaped great results in coal production by applying the daily production and financial critique system; calls for factories, enterprises, and cooperative farms to apply the daily production and financial critique system to the production and management activities, determine the problems every 10 days and every month and concentrate their efforts on them; and urges that the daily production and financial critique system be practiced to strengthen the bottom-line units of production and make it into a more powerful means for developing the national economy and raising the living standard.

On 13 September 1985, at the upper left of page 1, the paper carried an editorial entitled "Providing Equipment and Materials for Coal Production." The editorial quotes Kim Il-song on the need for all sectors of the national economy to provide equipment and materials to the coal mines on a priority basis and the party organizations and executive organs to turn their attention to improving logistical work for the miners; notes that what all sectors now need most in order to accomplish this year's plan before the celebration of the 40th anniversary of the founding of the party is coal, the demand for which is increasing for the winter; quotes the slogan of the party Central Committee, "All for an Increase in Coal Production!"; calls for priority production and delivery of extraction equipment; notes that the 10 May, 9 August, and 28 August factories are upholding the party's slogan, carrying out the "machine tool-begets-machine tool movement," mobilizing materials and manpower reserves, and expediting production of extraction equipment to the maximum; stresses that the coal mines appropriately occupy first place as recipients of iron, steel, and mining timber even though other sectors require iron, steel, and logs as well; emphasizes that the administration council ministries, committees, factories, and enterprises are really helping themselves when they ship extraction equipment and materials to the coal-mining sector and that they should contribute to increased coal production before demanding coal for their own operations; calls upon the railroad transportation sector to ship the equipment and materials going to the coal mines on a priority basis; and exhorts party organizations at all levels in every sector to continue to familiarize all their functionaries, party members, and workers with the decision of the 10th Plenum of the 6th Party Central Committee so that they will be aware of the importance of coal production and engage in the struggle to send equipment and materials to the coal industry sector.

On 16 September 1985, at the center right of page 1, the paper carried an editorial entitled "Let Us Expedite Harvesting." Notes that corn and rice harvesting is now underway in many areas and that all forces are to be concentrated in bringing in the fall harvest since the yield increases



when harvested at the proper moment; states that this fall's climatic conditions are more damp and humid than ordinary due to the rain and hot temperatures, thereby increasing the starchy content and, at worst, causing shoots to sprout; urges the functionaries and three revolutions team members to acquaint the farmers with the results of such climatic conditions and encourage them to complete harvesting at the proper time; exhorts functionaries in party and agricultural guidance organizations and members of three revolutions teams to go deep down among the farmers and helpers to explain the importance and significance of harvest work this year, arouse their revolutionary zeal and creative positive attitude, and give them clear harvest assignments; and urges all levels of organizations and enterprises to send helpers to the harvest battlegrounds as planned so that all will be able to reap a bumper crop without any loss.

On 17 September 1985, at the upper right of page 1, the paper carried an editorial entitled "Let Us Formulate Economic Organizational Work for the 'Machine Tool-begets-machine Tool Movement.'" The editorial states that economic organizational work is one of the important questions determining the success of the "machine tool-begets-machine tool movement"; points out that the Yongsong Machinery Complex is now accomplishing the greatest task of producing plant facilities and that the functionaries there performed economic organizational work well, thus providing plant facilities and proceeding with the construction of a 10,000-ton press; emphasizes the importance of cooperative production in having machine tools produce other machine tools; calls upon the functionaries in units in all sectors, including the ministries and committees in the administration council, to be thoroughly familiar with the overall situation, properly coordinate production and delivery of parts and cooperative products, and organize cooperative production which the factories cannot produce themselves such as cast and forged steel so that the movement will continue to make progress; calls for the functionaries in the Second Ministry of Machine Industry to go down among the factories and enterprises to ascertain the situation, settle all problems encountered, actively perform economic organizational work, and supervise fulfillment of assignments; notes that the "June 1985 machine tool-begets-machine tool movement" does not end this year but must continue until the tasks are fully accomplished; urges the functionaries in the administration council committees and ministries including the State Planning Committee to organize production according to strict standards including the production of steel of the proper quality, special bearings, and test equipment to assure standards of precision for machine tools; and exhorts all units in all sectors of the national economy and party organizations at all levels in factories and enterprises to instill in the functionaries an awareness of their responsibility as command personnel so that they will continue to take the lead in implementing the party's requirements in the "machine tool-begets-machine tool movement."

On 21 September 1985, at the lower left of page 1, the paper carried an editorial entitled "Let Us Work With the Work Attitude of Unsung Heroes." The editorial notes that the campaign to emulate the unsung heroes is demonstrating its tremendous vitality as the days go by and that an unsung hero is a true exemplar of the party who works and helps others

to work under the communist slogan "all for one, one for all"; quotes Kim Il-song on party organizations carrying out the campaign to emulate the unsung heroes substantially in all units of every sector and having the broad masses actively engage in this campaign; notes the necessity to implement the party's orders on vigorously waging the "June 1985 machine tool-begets-machine tool movement" and decisively increasing consumer goods; points out that the Pyongyang Vegetable-processing Factory has consistently exceeded its state plan for production and unit items for the last 30 years, thereby rendering a significant contribution to the nutrition of the people; states that the key for such tremendous success was the party and that economic functionaries aroused the production workers and set the standards through their own zealous example; and exhorts party organizations to have their functionaries and workers always accomplish their revolutionary responsibilities like the unsung heroes, seek out unsung heroic and meritorious workers, and fan the flames of collective innovation in all units and posts in revolution and construction.

On 24 September 1985, at the upper center and right of page 1, the paper carried an editorial entitled "Let Us Put a New Spur on the Struggle for Economic Construction To Make This Significant Year Shine." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 187, 26 Sep 85 pp D 13-16: "Struggle for Economic Construction Needs Spur."]

On 25 September 1985, at the left center of page 1, the paper carried an editorial entitled "Let Us Preferentially Supply the Raw Materials Needed for the Production of Consumer Goods." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 196, 9 Oct 85 pp D 9-10: "NODONG SINMUN Urges Supplies for Consumer Goods."]

On 27 September 1985, at the upper right and center of page 1, the paper carried an editorial entitled "Let Us Perform All Work in a Revolutionary Manner." The editorial notes that it is the intrinsic trait of a functionary to perform work in a revolutionary manner, who must bring forth new advances in the struggle to accomplish the 10 long-range goals of socialist economic construction; points out that socialist construction is not carried out only under highly favorable conditions but through the steadfast spirit of struggle which crosses formidable rivers and ravines; emphasizes the spirit of self-reliance and the need for the functionaries in factories and enterprises to produce more with the materials on hand; cites the example of the party and economic functionaries in Nangnang District who followed the party's orders on properly enforcing a sub-team management system; calls for strict adherence to party policy no matter what; urges all functionaries to raise up the level of their political and practical expertise and technical knowledge to become well-versed in supervisory skills; and exhorts all functionaries to perform all work in a revolutionary manner and thereby step up the pace in advancing at the "speed of the eighties."

On 28 September 1985, at the center right of page 1, the paper carried an editorial entitled "Let Us Positively Protect and Propagate Medicinal Herbal Resources." The editorial states that propagating medicinal herbs promotes public health through oriental medicine and contributes to scenic

beautification; notes that Kim Il-song concretely clarified all the questions arising in protecting and propagating medicinal herbal resources and the glorious party center adopted wise measures for widely performing work to propagate the country's herbal resources and is devoting a tremendous benevolence to this work; calls upon pharmaceutical factories everywhere in the country, such as the Korean Mannyon Health Company, to produce both oriental and "new" [western] medicine from the country's high-efficacy medicinal herbs; calls for all cities and counties to perform medicinal herb propagation like Sangwon County in Pyongyang City, which held a mass campaign to grow medicinal herbs; urges the functionaries to perform organizational work for propagating medicinal herbs and for the appropriate organizations at the provincial, municipal, and county levels to formulate long-range plans for medicinal herb propagation after the example of the functionaries in the economic guidance committees in Insan and Unpa Counties in North Hwanghae Province who are formulating long-range plans for medicinal herb propagation; urges all to make use of the numerous mountain and hillsides in the country for growing herbs; cautions that herbs are to be cut only at the proper time and in approved areas and when cut, replacements are to be planted; and exhorts all functionaries and workers to bring about a new transformation in developing the country's pharmaceutical industry by better protecting and propagating medicinal herbal resources.

On 30 September 1985, at the center right of page 1, the paper carried an editorial entitled "Let Us Further Formulate Railroad Transportation Work." The editorial states that transportation is tantamount to production and that the railroad transportation sector must ship equipment and materials on time to the factories and enterprises so that they may continue to normalize production at a high level; quotes Kim Il-song that the question of whether the party line on promoting transportation is to be furthered or not ultimately depends on how the guidance functionaries perform organizational work; notes that as a result of giving priority to the extractive industry over the manufacturing industry, the coal and ore mines have waged the struggle to increase coal and ore production, a large quantity of freight must be shipped, and there are also a lot of materials destined for consumer goods production; quotes the slogan of the party central committee "Do Transportation Organization Well and Ship Raw and Processed Materials and Equipment to the Production Factories and Enterprises"; calls for thorough implementation of the party line of concentrated transportation and containerized transportation and for decreased freight car turnaround time; stresses political organizational work to wage more vigorously the "campaign to exceed the 18 May accident-free, on-time hauling record" in all locomotive units including the Yonggwang, Taegon, Haeju, and West Pyongyang units; points out that the independent accounting system is a powerful management and control method for properly utilizing socialist economic principles and economic leeway which must be correctly enforced and combined with the principles of political and moral stimulus and material interests; urges the administration council committees and ministries, factories, and enterprises to strengthen the weak link of

track maintenance within the railroad sector, and perform their freight transportation duties responsibly; and exhorts functionaries in planning organizations to perform factfinding and then formulate and coordinate railroad transportation plans based on this so that raw and processed materials will be shipped to the production factories on time and thereby contribute to normalizing production at a higher level in all sectors of the national economy.

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CSO: 4110/033

N. KOREA/POLITICS AND GOVERNMENT

NODONG SINMUN EDITORIALS FOR FEBRUARY 1986

[Editorial Report] The following editorials appeared in Pyongyang NODONG SINMUN in Korean during February 1986:

Pyongyang NODONG SINMUN in Korean on 3 February at the upper right of page 1 carried an editorial entitled, "Let Us Concentrate Great Efforts on the Development of Light Industry." [Text published in FBIS Asia and Pacific DAILY REPORT Vol IV, No 024, 5 February 1986, pp D 7-9: "NODONG SINMUN" On Development of Light Industry."]

On 5 February, at the left center of page 1, the paper carried an editorial entitled, "Let Us Enable the Might of the Chongsan-ri Method To Be Highly Displayed." The editorial notes the 26th anniversary of Kim Il-song's establishment of model units through the creation of the Chongsan-ri Spirit and the Chongsan-ri Method on his on-the-spot visit to Chongsan-ri; stresses that in the 1960 the country was facing new problems in determining the working methodology of the functionaries and proceeding with socialist rural construction; lauds the Chongsan-ri spirit and method for putting Chongsan-ri forward as a model for socialist rural construction not only to the people of Korea but to the whole world; states that the Chongsan-ri method is an urgent requirement for socialist construction at present; calls upon the people to implement the militant tasks which Kim Il-song set forth in his New Year Address and for the guidance persons to perform their roles as linchpins for strengthening the party and the revolutionary ranks by utilizing their working skills and combat command in accordance with present development; quotes Kim Chong-il on the Chongsan-ri method being the working method which relies on the strength of the masses, requiring working alongside the masses, sharing their joys and hardships, mobilizing the consciousness and ingenuity of the masses to accomplish their assigned tasks; emphasizes that the Chongsan-ri method requires the functionaries to go down among the masses and listen to what they have to say, eat and work alongside them and give them practical guidance rather than going among them for enjoyment; notes that guidance functionaries must not consider themselves as superior to the people but should remember that they came from the people and are to live alongside the people, help them and guide them with a humble and meek demeanor; exhorts all guidance functionaries to adopt the Chongsan-ri spirit and method which Kim Il-song has created and thoroughly embody it and thereby completely fulfill their duties as guidance personnel and thus actively participate in expediting socialist construction.

On 6 February, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Vigorously Expedite Farm Machinery Production." The editorial notes that expediting farm machinery production is an important question arising in implementing Kim Il-song's New Year Address and his recent instructions on epochally increasing agricultural production; quotes Kim Il-song's exhortation to the machine industrial sector to produce and deliver the machinery and parts needed for the comprehensive mechanization of the rural economy in a timely fashion; emphasizes that much farm machinery is needed to mechanize all farm work and advance the completion of the manpower consuming rice seedling transplanting and harvesting chores; calls upon the functionaries of the farm machinery production sector to emulate the indomitable struggle spirit of the 10 men of Nagwon and fulfill all their assignments without fail; congratulates the Kumsong Tractor Complex for the innovations achieved in tractor production which is joyful news to the party members and workers; stresses the necessity of increasing tractor parts production and raising up the quality of the farm machinery produced; states that if the materials needed at the farm machinery factories will be able to raise production of farm machinery considerably; urges factories connected with farm machinery production to provide the necessary cooperative production, such as bearings, to the farm machinery factories so they can normalize farm machinery production at a high level; exhorts the functionaries in the committees and ministries in the administration council, central materials companies and consolidated enterprises to devote their utmost attention to increasing investment in farm machinery production and fulfill their responsibilities for organizing work to expedite production and thereby achieve a new upsurge in agricultural production this year.

On 7 February 1986, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Make A Great Effort To Increase Salt Production." The editorial notes that Kim Il-song mentioned the importance of salt in the national economy on several occasions recently; states that salt is of important significance in developing the national economy especially in the domains for the foodstuff and chemical industries; emphasizes that for bringing about a revolution in light industry, a large amount of chemical products must be produced such as vinyl chloride, chemical fiber, synthetic rubber, etc., all of which use salt in the production process; urges those in the salt production sector to recognize the important role salt plays in the development of the national economy and for daily living; calls upon all the functionaries in the administration council and appropriate sectors to strive to implement the party's requirement for increasing salt production and for economic guidance personnel in the administration council and pertinent sectors to bear the responsibility for realizing Kim Il-song's recent instructions on increasing salt production; stresses that much investment would be necessary to build many small salt flats here and there and it would be too difficult to work them mechanically, so large salt flats of several thousands of acreage should be constructed which would be less costly and easier to manage, especially if they are built close to the enterprises; notes that, like agriculture, salt production is seasonal; cautions against going into salt production with inadequate preparations, thereby achieving a small yield, calls for building salt flats on large scale, employing mechanization not work them with a the necessary machinery and materials being provided in a

timely manner; exhorts the functionaries in the machine industrial sector to provide the materials and machinery needed at the salt flats, such as bulldozers, excavators and traactors; urges all salt production workers and functionaries to achieve a decisive transformation in construction of salt flats and salt production this year by vigorously waging the struggle to implement the party's requirement for increased salt production.

On 11 February 1986, at the lower right of page 1, the paper carried an editorial entitled, "Let Us Make New Progress in Carrying Out the Technological Revolution." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 030, 13 February 1986, pp D 15-17: "Advancement of Technological Revolution Urged."]

On 12 February 1986, on the upper half of page 1, the paper carried an editorial entitled, "Let Us Block and Destroy the War Provoking Machinations of the U.S. Imperialists and Their Lackeys." The editorial notes that "Team Spirit 86" began in South Korea on the 10th for which over 200,000 forces mobilized including the U.S. and pppet forces stationed in South Korea and U.S. armed forces from the U.S. mainland and the Pacific; states that this joint military exercise includes missiles capable of carrying nuclear warheads, long range artillery, B-52 strategic bombers with nuclear weaponsry, F-16 and F-15 fighter bombers, nuclear aircraft carriers and other modern ground, sea and air weaponry; calls the joint training comprehensive preparatory warfare for the purpose of conducting a preemptive strike on the northern half of the republic; notes that the supreme commander issued an order to all units of the KPA, the Korean Peoples Constabulary, Worker-Peasant Red Guard and Red Youth Guard to maintain combat mobilization posture with revolutionary vigilance; criticizes the policy of increased armament of the U.S. imperialists and the declaration of the Korean peninsula as the "first line of U.S. strategy" and for introducing over 1,000 nuclear weapons along with other modern weaponry into Korea and that South Korea is being drawn into the U.S. nuclear space war plan known as "star wars"; states that the northern half of the republic stated that no large-scale military training would be held while the north-south talks were taking place and that the south should do likewise and the holding of "Team Spirit 86" indicates the falsity of their claims of supporting peace and easing tensions; claims that the governments and peoples of those countries which value peace denounce "Team Spirit 86" now underway in Korea and the U.S. and South Korean authorities cannot escape the villification and denunciations of the people of the northern half the the republic and people whole cherish world peace; concludes with the resolve that the people will continue to do their utmost to bring about the withdrawal of U.S. armed forces and nuclear weapons from South Korea and assure steadfast peace on the Korean peninsula and realize the independent, peaceful reunification of the country.

On 13 February 1986, at the upper center and right of page 1, the paper carried an editorial entitled, "Let Us Concentrate Our Efforts on the Struggle to Occupy the Heights of Steel." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 031, 14 February 1986, pp D 8-12: "Importance of Steel Industry Development Asserted."]

On 14 February 1986, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Concentrate on Building Major Industrial Facilities." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, NO 032, 18 February 1986, pp D 8-10:

"Major Industry Construction Targets Outlined."]

On 16 February 1986, at the lower half of page 1 with border, the paper carried an editorial entitled, "Let Us Vigorously Push Ahead With Socialist Construction With the Might of Whole-Hearted Cohesion." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 038, 26 February 1986, pp D 10-14: "Ideological Cohesion Under Party Stressed."]

On 17 February 1986, on the upper half of page 1, the paper carried an editorial entitled, Let Us Thoroughly Embody Party Leadership gin All Sectors." The editorial notes that the party members and workers throughout the whole country have accepted the decisions of the 11th plenum of the 6th Party Central Committee and are advancing at a rapid pace; quotes Kim Il-song on the necessity for further strengthening organizational and ideological cohesion party-wide based on the chuche idea and for thoroughly establishing a system of party leadership; emphasizes that the mementous task of advancing socialist construction to a higher stage during such a tense time in the country lies ahead and this requires now more than ever the thorough embodiment of party leadership in all sectors of the national economy; states that when the leadership of the party is thoroughly embodied, there will be no obstacle nor any fortteres too difficult to surmount; calls for all party functionaries and workers to demonstarate their loyalty to party leadership by accomplishing all the policies which the party has presented; urges every sector and all units to embody each and every point in Kim Il-son's New Year Address and the party's decisions and directives to realize this and thereby make this year another year of victory for the revolution and construction; calls upon all to carry out the permanent party line and strategic programs such as the three revolutions line and the campaign to capture the red flag of the three revolutions; exhorts all party members and workers in each sector of the national economy to thoroughly carry out the party's decisions and directives for developing key industries and railroad transportation and raising the living standard; points out that the party has based its immortal cause in every sphere of revolution and construction on the chuche idea without which advancing the chuche revolutionary cause would be unthinkable; states that experience in revolutionary struggle demonstrates that only people who possess strong revolutionary tenets can be faithful to the leadership of the party and our party members and workers are called to become the Kim Hyok's and Cha Kwang-su's of the eighties; urges all party members and workers to become true warriors of the party who faithfully accept party leadership as their own creed and conscience by vigorously continuing to engage in the campaign to emulate the unsung heroes in conjunction with practical struggle and continually train and refine themselves mirrored by the unsung heroes and unsung meritorious workers and thereby unfold a bright future for the fatherland by faithfully accepting the leadership of the party.



On 19 February, on the upper half of page 1, the paper carried an editorial entitled, "Let Us Further Entrench party Ideological Work in Accordance With the Demands of Present Development." The editorial states that 10 years have passed since the presentation of the appeal on imbuing the whole society with the *chuche* idea and the assignment of the direction and tasking to improve party ideological work in accordance with this and a new transformation in party ideological work occurred under the wise leadership of the party center during this period; quotes Kim Chong-il on the necessity for party propaganda functionaries to make a concerted effort to improve party ideological work in accordance with the new requirements of revolutionary development; emphasizes that further entrenching party ideological work is a trustworthy assurance for bringing about new upswings in socialist economic construction which requires summoning forth the revolutionary ardor and creative positivism of all party members and workers; chastizes the U.S. imperialists and South Korean puppet clique for carrying out "Team Spirit 86" for a "preemptive strike" on the northern half the republic, destroying the talks and contracts which had been carried out in various spheres and driving a black cloud of new warfare over the country; points out that the party center recently presented the task for future entrenching party ideological work based on scientific analysis of the status of party ideological work, a revolutionary development and the situation which has arisen; calls upon all party organizations to keep in mind the wishes of the party and raise the party members and workers as true communist revolutionaries, endlessly faithful to the party and leader; puts emphasis on indoctrination in fidelity, the *chuche* idea, revolutionary traditions and the *chuche* world outlook; indicates that an important question in propaganda and agitation work for economic construction is first of all settling all the questions dealing with what the party wants; urges party organizations to heighten the role of the propaganda department in organizing and performing party committee work and for all party organization to perform indoctrination and reformation of the party members and workers while carrying out their own particular work; urges the party propaganda functionaries to penetrate deep within the masses and recognize that going down below is the requirement of the party and their particular working habit; exhorts party organizations to be interested in the model units which Kim Il-song has created, such as Chongsan-ri, Ihyon-ri, Chollima Steel Complex and the Taean Heavy Machinery Complex and see to it that these units continue to take the lead while creating new model units; calls for elevating the skill level of the party propaganda functionaries to enable them to study more than others, prepare lecture outlines and perform propaganda and agitation work and travel along with party responsible functionaries and enable everyone to become expert in this endeavor; exhorts party organizations and party propaganda functionaries to keep in mind the trust and expectations which the party center has of them and further entrench party ideological work in accordance with the requirements of present development.

On 21 February 1986, at the upper left of page 1, the paper carried an editorial entitled, "Let Us Strengthen the Party's Guidance to the Technological Revolution." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 037, February 1986, pp D 20-22: "Advancing Technological Revolution Underscored."]

On 24 February 1986, on the upper half of the page 1, the paper carried an editorial entitled, "Let Us Achieve Shining Victory in This Year's Farming Battle With the 'Vigor of the Chongsan-ri People.'" The editorial states that the line of Chongsan is bubbling with the struggle to achieve higher growth in agricultural production this year; notes that the Chongsan-ri people have found a great deal of reserves for increasing grain growing areas and have set their goal this year at 800 tons of grain higher than their highest yield so far; notes that the party recently set forth the militant slogan, "Let us rush out with the 'vigor of the Chongsan-ri people' to achieve a bumper crops this year!" and hold up the farmers of the Chongsan-ri cooperative farm as a model unit, urging them to lead the country in following this slogan by vigorously waging the struggle to implement the instructions which Kim Il-song gave in his New Year Address and in his recent instructions on the rural economy; emphasizes that this is an era of science and farming must be performed scientifically and technologically, urges all to emulate the Chongsan-ri people who are putting into practice Kim Il-song's *chuche* farming method scientifically and technologically, notes that Kim Il-song has made over 100 on-the-spot visitations to the Chongsan-ri farm since the liberation and that the beloved comrade Kim Chong-il has visited this site various times and wisely led them to take the lead nationwide in brilliant embodying Kim Il-song's design for communist rural construction; quotes Kim Chong-il's "On Further Raising the Living Standard" concerning farming correctly to produce a large crop of farm produce to settle the food problem; cites the "vigor of the Chongsan-ri people" as a model to be followed to settle the food problem and make a considerable advance in achieving 15 million tons of grain; urges functionaries in party organizations to go down among the farm workers and masses and explain and advertise the meaning and requirements of the party's slogan so that all will live and work like the Chongsan-ri people, exhorts party organizations and party functionaries to heighten the responsibility of the agricultural guidance functionaries and farm management functionaries so that they will set standards through their own example and vigorously lead the struggle to carry out the party's slogan; indicates that effective means of best implementing the party's slogan are combining the struggle to rush out with the "vigor for the Chongsan-ri people" with the campaign to emulate the unsung heroes and film appreciation sessions; exhorts rural party organizations and party functionaries to hold film sessions with such artistic films "Ordinary People" and "Hearts On Fire"; calls for all to follow the party's slogan and achieve another bumper harvest this year.

On 25 February 1986, at the center of page 1, the paper carried an editorial entitled, "Let Us More Thoroughly Implement the Task of the Technological Revolution Presented in the Rural Thesis." The editorial notes that this day marks the 22nd anniversary of Kim Il-song's rural thesis, "Thesis on Our Country's Socialist Rural Question" which set the straightforward way for ultimately settling the rural question, eliminating the discrepancy between city and countryside, worker and farmer, accomplishing the three revolutions in the countryside and strengthening state guidance in many directions; praises the rural thesis for vigorously promoting the three revolutions in the socialist countryside and achieving the goal of 1 million tons of grain; cites the production and delivery of farm machinery such as tractors and chemical fertilizers to the countryside as the means for achieving the mechanization

and chemicalization of the countryside; points out the necessity for more rapidly promoting the comprehensive mechanization and chemicalization of the countryside in order to raise up the country's farming to a higher stage; praises the workers in the Kumsong Tractor Complex of their contribution to the rural technological revolution through their tractor production in January; urges the chemical production sector to operate their fertilizer production machinery at full capacity in order to provide an ample supply of fertilizer and farm chemicals to the countryside; urges the functionaries and workers in the rural economic sector to make proper and more effective use of their farm machinery and chemical fertilizer and to set practical goals for mechanization of the farming process; calls for the functionaries and workers in the enterprises which produce parts for tractors and other farm machinery to be aware of the importance of their role in assuring that farm machinery is operated at full capacity by providing the necessary parts on a timely basis; mentions the importance of organizing the mobilizing technicians and heightening their role in agriculture; calls upon all functionaries and farm workers in the agricultural sector to expedite socialist rural construction this year along the path set forth by the rural thesis and achieve shining success in the struggle for epochal growth, in agriculture production this year.

On 26 February 1986, at the upper right of page 1, the paper carried an editorial entitled, "Let Us Further Strengthen Foreign Trade." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 039, 27 February 1986, pp D 10-13: "Methods of Strengthening Foreign Trade Elucidate."]

On 27 February 1986, at the upper center and right of page 1, the paper carried an editorial entitled, "Let Us Continue To Vigorously Accelerate the Revolution and Construction Under the Banner of Chuche." [Text published in FBIS Asia and Pacific DAILY REPORT, Vol IV, No 043, 5 March 1986, pp D 6-9: "50th Anniversary of Nanhutou Meeting Feted."]

On 28 February, 1986, at upper left of page 1, the paper carried an editorial entitled, "Sardine Fishing Season is Approaching." The editorial quotes Kim Chong-il's "On Further Raising the Living Standard", stating that development of the fisheries industry is a good way to solve the subsidiary food question in this country which is bordered by ocean on three sides; urges the guidance personnel in the appropriate domains including the administration council and the fisheries committees to organize and conduct sardine fishing operations in accordance with the party policy on sardine fishing, while accurately calculating the material and financial needs, concentrating all forces and repeatedly distributing them as necessary and performing organizational and supervisory work also that all problems are accurately addressed; calls for the functionaries in the sectors involved to draw on last year's experience and conduct sardine fishing preparations in accordance with the flow of sardine schools, constructing many docks and unloading sites near sardine fishing zones and fishing scientifically, determining the speed, depth and size of sardine schools through sound and light methodology; stresses having a sufficient number of fishing vessels equipped with modern fish spotting equipment; notes that sardines are fish which must be promptly processed, thereby necessitating high quality, rapid processing facilities to take

advantage of the large sardine yield foreseen; calls for positive support for sardine fishing through the national economy to assure that fishing boats are repaired, fishing gear readied, salt, steel, lumber, etc., are all produced and delivered in time for the sardine fishing season; exhorts all the functionaries to express their party spirit, working class and populist nature by positively expediting and promoting sardine fishing operations; particularly urges the provincial local party and administrative functionaries to positively expedite sardine fishing preparations to be able to be fully prepared for the sardine fishing battle.

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30 May 1986

## N. KOREA/ECONOMY

## WORKERS OF PUKCH'ANG THERMAL POWER PLANT COMMENDED

Pyongyang NODONG CHONGNYON in Korean 19 Jan 86 p 3

[Text] From the beginning of the new year, the youth power warriors of Pukch'ang are greatly increasing the production of electricity.

On the first morning of the year, the SWYL members and youth of the Pukch'ang Thermal Power Plant Combined Enterprises Office who fervently received the new year's announcement of the great leader Marshal into each of their enthusiastic hearts vigorously made a loyal oath to bring about a great upsurge in the production of electricity, and on the first day of battle they brought about an innovation in which they produced more electrical power than produced during a day in the peak period at the end of last year.

Without letting up in their vigor, the youth power warriors from here are guaranteeing full capacity and full operation at each facility and are guaranteeing a high level of production of electricity.

The great leader Marshal Kim Il-song gave the following instructions: "This year we must correctly organize and mobilize the creative forces of the working masses and forcefully advance the development of a Socialist economy."

Under the guiding aid of party organization and the Three Revolutions Team, the SWYL Committee of the Combined Enterprises Office is correctly organizing and mobilizing the creative forces of the youth masses, and planning and coordinating organizational political undertakings so that the roles of the vanguard and shock brigade will be executed.

On the one hand, the SWYL Committee is calling for the enhancement of the role and responsibility of SWYL members, while the workers themselves are spurring on innovation by rushing to the scene of the battle and conducting novel economic agitation, and leading the masses as exemplary models.

Therefore, the SWYL members and youth power warriors of this area, by planning and coordinating technical administration for electric power facilities and bringing about full load and full operation, are, at the beginning of the new year, producing much more electrical power than planned.

The youth of the thermal production work site are standing at the forefront of this innovation. These SWYL members and youth who are charged with the first step of production, deeply recognize the importance of the duty they are charged with, have combined their strength and wisdom, have positively accepted advanced methods of operation whereby they can, by scientific technological means, manage and operate boilers and pulverized coal system facilities while conforming to the unfavorable conditions of winter and the unfavorable conditions of fuel, and are producing more steam.

In order to send more electricity to the seething site of socialist construction, the SWYL members and youth of the youth turbine work site who have received ample steam, are splendidly guaranteeing normal operation of turbines by planning and coordinating administration of facilities and technology and strictly adhering to standard operating methods.

Especially, Ri T'ae-hwa, Myong Dong-man and Han Song-gon, the operators of the No 3 turbine--the machine where the great leader, the Marshal gave on the spot instruction--who by forming a close relationship with other workmen and forcefully conducting a struggle to raise the degree of the vacuum in the condenser, brought about an innovation which, while lowering the standard amount of steam waste, increased production of electricity 2,000 kilowatt hours more than load.

This is not all, the operators and workmen of turbines No 6, No 8 and No 15 have achieved the proud result wherein they have increased their load to more than capacity and are producing more electrical power.

On the one hand, as though they felt they were transporting ammunition to a comrade in arms in battle, SWYL members and youth at unloading facilities are spurring on workers by efficiently using modern unloading facilities and moving coal without hesitation, and youth at fuel worksites are running crushers and conveyor belts at full operational speed, and by means of these things they are believably guaranteeing normal operations of boilers.

The SWYL Committee of the Combined Enterprises Office is sending mobile youth art brigades to the sites of the battle where innovations are being generated, and, while more forcefully encouraging them, is actively conducting diverse undertakings to have them continue to innovate, continue to advance and endlessly create new records and new standards.

In this way, from the beginning of the new year, the youth power warriors of Pukch'ang are, while beating the drum for an increase in the production of electricity, forcefully moving forward.

13222/9312

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END